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Financial Report
June 30, 2017

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Independent Auditors' Report

City Council
City of Sanford, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sanford, Maine (the City), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sanford, Maine, as of June 30, 2017, and the respective changes in financial position and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 and the Schedule of Funding Progress on page 44, the Schedule of Proportionate Share of the Net Pension Liability on page 45, and the Schedule of Contributions on page 46, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sanford, Maine's basic financial statements. The combining and individual fund financial statements on pages 48-78 are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 12, 2017, on our consideration of the City of Sanford, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Sanford's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Sanford Maine's internal control over financial reporting and compliance.

Macpage LLC

South Portland, Maine
December 12, 2017

CITY OF SANFORD, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2017

As management of the City of Sanford, Maine, we present this narrative to provide you with an overview and analysis of our annual financial statements for the year ending June 30, 2017. This information, in conjunction with the basic financial statements following this section, can be considered when reading the City's financial statements.

Financial Highlights

- Total assets and deferred outflows of resources of the City of Sanford exceeded its liabilities and deferred inflows of resources by \$41,883,287. The governmental activities statement of activities showed a decrease of net position of \$2,918,751 for the fiscal year.
- The ending fund balance for all governmental funds combined was \$70,223,972.
- The ending fund balance for the general fund was \$9,946,891, a decrease of \$362,462 over last year. The City, excluding the School, has an unrestricted fund balance of \$8,960,594 of which \$1,111,724 is committed to ongoing capital projects, and \$986,557 is assigned for the subsequent year budget and other purposes. This leaves an unassigned balance of \$6,862,313, which is an adequate surplus. The School Department had \$725,000 assigned for the subsequent year budget and an unassigned fund balance of \$261,297.

Overview of the Financial Statement

This discussion and analysis is intended to serve as an introduction to the City of Sanford, Maine's basic financial statements. The City's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements:

The *government-wide financial statements* provide a broad overview of the City of Sanford, Maine's finances. Financial information is presented in two statements – *Statement of Net Position* and *Statement of Activities*. The *government-wide financial statements* include not only the City of Sanford (known as the *primary government*), but also the legally separate Goodall Park Trust, for which the City is a beneficiary and has been reported as a discretely presented component unit.

The ***Statement of Net Position*** presents information about the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, and with the difference between these reported as *net position*. Over time, changes in net position (increases or decreases) may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The ***Statement of Activities*** presents information about how the City's net position has changed during the fiscal year. All changes in net position are reported as soon as the change or event occurs, regardless of the timing of related cash flows. This means that revenues and expenses are reported in this statement even if the resulting cash related movement does not occur until future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

CITY OF SANFORD, MAINE
Management's Discussion and Analysis,
Continued

Both of the statements distinguish between activities of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) and those activities that recover all, or a significant portion of their costs through user fees and charges (*business-type activities*). Governmental activities include general administration, public safety (police, ambulance and fire), public works, (highway and solid waste disposal), library, recreation programs, county tax, education, charitable aid, cemetery care, debt service and capital maintenance expenses. The City currently reports no business-type activities.

The government-wide financial statements can be found on pages 9 and 10.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Sanford, Maine, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into three categories: Governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to report most of the City's basic operational services. Operating expenditures and revenues are recorded and the cumulative leftover balance of these activities, which is available for spending in subsequent years, is reported here. These funds are reported using an accounting method called *modified accrual*, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information can help to determine what financial resources are available in the near future to finance the City's activities. The governmental funds financial statements can be found on pages 11 and 12.

Fiduciary funds are used to account for monies held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Sanford's operational programs. The City of Sanford is trustee for a number of funds, the majority of which are scholarships. The fiduciary funds financial statements can be found on pages 15 and 16.

Proprietary funds are used to report activities that are charged to customers for services provided by the City. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The City currently has no proprietary funds.

Notes to the financial statements – the notes provide additional information that is essential to a full understanding of the data provided and can be found on pages 17-43.

Other Information – the combining and individual fund statements of non-major governmental funds are presented immediately following the notes to the financial statements. These schedules can be found on pages 48-78.

CITY OF SANFORD, MAINE
Management's Discussion and Analysis,
Continued

Statement of Net Position information

The following information is a condensed version of the Statement of Net Position. The analysis below focuses on the net position of the City's governmental activities.

Government Activities

	2017	2016
Assets		
Current & Other	\$ 82,834,972	\$ 22,438,151
Capital Assets - net	93,272,640	60,004,292
Total Assets	176,107,612	82,442,443
Deferred Outflows of Resources	9,354,326	6,049,335
Liabilities		
Long-term Liabilities	127,684,275	28,819,118
Other Liabilities	11,844,299	9,471,172
Total Liabilities	139,568,574	38,290,290
Deferred Inflows of Resources	4,010,077	5,399,450
Net Position		
Net Invested in Capital Assets:		
Restricted	46,653,417	43,549,565
Unrestricted	4,856,342	4,703,018
	(9,626,472)	(3,450,545)
Total Net Position	\$ 41,883,287	\$ 44,802,038

The City's net position decreased \$2,918,751 during the fiscal year, program expenses for the primary government totaled \$76,139,128 of which \$35,109,830 of total program revenues are applied for a net expense of \$41,029,298. (See the Statement of Activities, page 10 for a detail breakdown by program unit). This net expense is offset by general revenues and other revenues of \$38,110,547, which resulted in the decrease in net position of \$2,918,751.

CITY OF SANFORD, MAINE
Management's Discussion and Analysis,
Continued

The following schedule, the statement of activities, focuses on changes in net position of the City's governmental activities.

Government Activities

	2017	2016
Program Revenues		
Charges for services	\$ 2,670,250	\$ 3,373,726
Operating grants and contributions	32,439,580	29,455,127
	<u>35,109,830</u>	<u>32,828,853</u>
General Revenues:		
Property and other taxes	34,350,254	33,595,435
Grants and contributions not restricted to specific programs	2,737,575	2,554,029
Investment earnings (loss)	452,332	166,480
Miscellaneous	570,386	408,095
	<u>38,110,547</u>	<u>36,724,039</u>
Total Revenues	<u>73,220,377</u>	<u>69,552,892</u>
Program Expenses:		
General government	8,167,204	7,668,133
Public services	2,417,333	2,429,719
Public safety	9,558,790	9,341,596
Public works	5,968,808	5,538,467
County tax	734,427	740,747
Education	45,233,170	42,078,650
Interest on debt	1,007,446	270,227
Maintenance	2,284,081	1,703,085
Other	767,869	715,013
Total Expenses	<u>76,139,128</u>	<u>70,485,637</u>
Change in Net Position	(2,918,751)	(932,745)
Net Position, Beginning of Year	44,802,038	45,734,783
Net Position, End of Year	<u>\$ 41,883,287</u>	<u>\$ 44,802,038</u>

The cost of all governmental activities this year was \$76,139,128, which represents an increase of \$5,653,491 from prior year. Of this amount, Sanford taxpayers funded \$34,350,254 through property, personal and excise taxes. Municipal and educational departments have continued to aggressively pursue grant revenue to cover programs and services and to help reduce the tax burden to residents.

Special revenue fund program expenses are expenditures from City and School funds, such as the City recreation and school programs, and the lunch program and other specifically grant funded programs. These programs are found in the "Other Governmental Funds" section of this report.

Maintenance represents the net amount paid for items that are considered to be repairs and upkeep. Interest on debt indicates the debt service amounts paid from the City and School general fund.

CITY OF SANFORD, MAINE
Management's Discussion and Analysis
Continued

Financial Analysis of the Government's Funds

The City uses fund accounting to segregate specific types of funds/projects and demonstrate compliance with related legal requirements. City-wide fund balances can be seen on the Balance Sheet - Governmental Funds on page 11.

Governmental funds - The focus of the City's governmental funds is to provide information on fiscal activity and balances of available resources. Each year, the result of the expenses, less revenues received, is added to the beginning fund balance and any unrestricted portion is available for spending at the government's discretion. As indicated in the *Financial Highlights*, the City's governmental funds reported a combined ending fund balance of \$70,223,972.

The *general* fund balance is \$9,946,891, which is a decrease of \$362,462 over fiscal 2016. Of the fund balance, \$1,111,724 is committed for a number of capital plan projects unfinished at year-end, and an additional \$986,557 is assigned for the City, and \$725,000 for the School as carryforward for the subsequent year budget. The unassigned balance is \$6,862,313 for the City and \$261,297 for the School.

Although the City had positive budget variances of revenues over expenditures totaling \$2,425,996, the City budgeted to utilize fund balance toward the capital plan and to offset the 2017 commitment, resulting in a decrease in the general fund balance of \$393,616, on a budgetary basis, from the prior year. The ending fund balance at June 30, 2017 is considered well within a healthy range. For detail comparing budget to actual expense see the Statement of Revenues, Expenditures and Changes in Fund Balance on page 14.

High School Construction Fund balance of \$56,265,844 reflects the amount remaining to be spent on the construction of the new high school and technical center. The expected total cost of the project is \$102.7 million and was funded by a bond offering during 2017.

Other Governmental Funds balance of \$4,011,237 reflects composite balances of a number of other School and City special revenue funds, capital projects funds and permanent funds.

Capital Asset and Debt Administration

The City of Sanford, Maine's investment in capital assets for its governmental-type activities totaled \$93,272,640 net of accumulated depreciation, as of June 30, 2017. The City's infrastructure values (roads, bridges, sidewalks, etc.) are included in this total. These assets include land, buildings and improvements, vehicles, machinery, equipment and infrastructure. For a detailed listing of the City's capital assets and related depreciation, see page 26 in the Notes to the Financial Statements. In the current year, significant capital asset purchases totaled approximately \$36,744,000, with the more significant additions being a construction in progress for a high school and technical center for approximately \$36,101,407, new dump truck for approximately \$209,000, 4 new police cruisers for approximately \$108,000, and a new SUV for approximately \$48,000.

Long-term Debt

The City of Sanford, Maine's long-term liabilities at fiscal year-end total \$127,684,275. The composition of long-term liabilities was, as follows: Bonds and notes payable \$107,802,854, capital leases \$764,011, net pension liability of \$15,239,415, compensated absences \$2,330,564, other postemployment benefits \$1,297,431, landfill post closure care costs \$250,000, of which \$968,088 is due within one year. It should be noted that the State Department of Education contributes significantly on an annual basis to the payment of school related bond debt. Detailed information of the City's various outstanding bonds can be viewed in the Notes to Basic Financial Statements starting on page 27.

CITY OF SANFORD, MAINE
Management's Discussion and Analysis
Continued

Long-term Debt – continued

State statutes limit the amount of general obligation debt a municipality may issue to 15 percent of the total State's assessed valuation of the City which is \$1,377,550,000. The current debt limitation for the City of Sanford, Maine is \$206,625,000 and Sanford's total debt is well under this limit.

The City Council and School Committee continue to work at keeping the property tax rate as low as possible and still provide quality services. The rate this year increased 0.70 mils to 22.74.

Request for Information

This financial report is designed to provide a general overview of the City of Sanford, Maine's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Ronni Lynn Champlin, Finance Director, City of Sanford, Maine, 919 Main Street, Sanford, Maine 04073.

City of Sanford, Maine
Statement of Net Position
June 30, 2017

	Governmental Activities	Component Unit Goodall Park Trust
ASSETS		
Cash and cash equivalents	\$ 78,833,903	\$ 24,161
Investments	649,523	491,369
Receivables:		
Accounts and intergovernmental, net	1,189,798	
Taxes receivable	1,374,132	
Tax liens	622,045	
Interfund loan receivable - fiduciary fund	20,194	
Inventory	35,877	
Land (held for investment)	109,500	
Capital assets, not being depreciated	48,039,943	
Capital assets, net	45,232,697	
Total Assets	176,107,612	515,530
DEFERRED OUTFLOWS OF RESOURCES	9,354,326	
LIABILITIES		
Accounts payable and other current liabilities	6,579,939	
Accrued payroll and other related liabilities	4,426,923	
Accrued interest	877,437	
Noncurrent liabilities:		
Due within one year	968,088	
Due in more than one year	126,716,187	
Total Liabilities	139,568,574	
DEFERRED INFLOWS OF RESOURCES	4,010,077	
NET POSITION		
Net investment in capital assets	46,653,417	
Restricted for:		
Nonexpendable trust principal	6,000	515,530
Expendable permanent funds	1,019,515	
Grants and other purposes	60,096,671	
Unrestricted	(65,892,316)	
Total Net Position	\$ 41,883,287	\$ 515,530

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

City of Sanford, Maine
Statement of Activities
For the year ended June 30, 2017

Functions/programs	Expenses	Program revenues			Net (expense) revenue and changes in net position	
		Charges for services	Operating grants and contributions	Capital grants and contributions	Primary government	Component unit
					Governmental activities	Goodall Park Trust
Primary government:						
Governmental activities:						
General government	\$ 8,167,204	\$ 1,084,779	\$ 722,604		\$ (6,359,821)	
Public services	2,417,333	71,611	38,097		(2,307,625)	
Public safety	9,558,790	1,417,904	194,084		(7,946,802)	
Public works	5,968,808	95,956	556,872		(5,315,980)	
Education	45,233,170		30,927,923		(14,305,247)	
County tax	734,427				(734,427)	
Interest on debt service	1,007,446				(1,007,446)	
Maintenance	2,284,081				(2,284,081)	
Other	767,869				(767,869)	
Total governmental activities	76,139,128	2,670,250	32,439,580		(41,029,298)	
Total primary government	\$ 76,139,128	\$ 2,670,250	\$ 32,439,580		(41,029,298)	
Component unit:						
Goodall Park Trust	\$ 25,010					\$ (25,010)
	General revenues:					
	Property taxes, levied for general purposes				30,495,194	
	Excise taxes				3,461,026	
	Payments in lieu of taxes				54,745	
	Interest and penalties on taxes				110,121	
	Franchise tax				229,168	
	Grants and contributions not restricted to specific programs:					
	Homestead exemption and business equipment exemption				957,585	
	Other state aid				291,812	
	State revenue sharing				1,448,965	
	Donations and contributions				39,213	
	Unrestricted investment earnings				452,332	
	Restricted investment earnings					70,950
	Transfers					
	Other				570,386	
	Total general revenues				38,110,547	70,950
	Change in net position				(2,918,751)	\$ 45,940
	Net position - beginning				44,802,038	469,590
	Net position - ending				\$ 41,883,287	\$ 515,530

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

City of Sanford, Maine
Balance Sheet
Governmental Funds
June 30, 2017

	General	High School Construction	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 10,629,435	\$ 61,869,531	\$ 6,334,939	\$ 78,833,905
Investments			649,523	649,523
Receivables:				
Accounts and intergovernmental, net	698,638		491,160	1,189,798
Taxes receivable	1,153,168			1,153,168
Taxes receivable - prior years	220,964			220,964
Tax liens	622,045			622,045
Interfund loans receivable	3,355,787		757,925	4,113,712
Inventory			35,877	35,877
Land (held for investment)			109,500	109,500
Total assets	\$ 16,680,037	\$ 61,869,531	\$ 8,378,924	\$ 86,928,492
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and other current liabilities	\$ 985,299	\$ 5,594,642		\$ 6,579,941
Accrued payroll and other related liabilities	4,143,708		\$ 283,215	4,426,923
Interfund loans payable		9,045	4,084,472	4,093,517
Total liabilities	5,129,007	5,603,687	4,367,687	15,100,381
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	1,604,139			1,604,139
Total deferred inflows of resources	1,604,139			1,604,139
Fund balances:				
Nonspendable			151,377	151,377
Restricted		56,265,844	3,830,827	60,096,671
Committed	1,111,724		729,559	1,841,283
Assigned - School	725,000			725,000
Assigned - City - Subsequent Budget	850,000			850,000
Assigned - City	136,557			136,557
Unassigned - School	261,297			261,297
Unassigned - City	6,862,313		(700,526)	6,161,787
Total fund balances	9,946,891	56,265,844	4,011,237	70,223,972
Total liabilities, deferred inflows of resources and fund balances	\$ 16,680,037	\$ 61,869,531	\$ 8,378,924	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				93,272,640
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.				1,604,139
Deferred outflows/inflows of resources represent a consumption/acquisition of net position that applies to a future period, therefore will not be recognized as an expenditure or revenue until then, and therefore, are not reported in the funds				5,344,248
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.				
Bonds and notes payable				(107,802,854)
Capital leases				(764,011)
Accrued interest				(877,437)
Landfill liability				(250,000)
Other postemployment benefits liability				(1,297,431)
Accrued compensated absences				(2,330,564)
Net pension liability				(15,239,415)
Net position of governmental activities				\$ 41,883,287

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

City of Sanford, Maine
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2017

	General	High School Construction	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 33,263,487		\$ 736,404	\$ 33,999,891
Licenses and permits	2,215,892			2,215,892
Intergovernmental	28,764,953		5,191,750	33,956,703
Investment income	199,844	\$ 206,434	46,054	452,332
Donations			39,213	39,213
Other	1,192,027		1,044,605	2,236,632
Total revenues	65,636,203	206,434	7,058,026	72,900,663
Expenditures:				
Current:				
General government	7,318,744		620,932	7,939,676
Public services	1,917,599		55,224	1,972,823
Public safety	8,868,796		57,910	8,926,706
Public works	3,602,474		433,830	4,036,304
County tax	812,539			812,539
Education	39,567,467		4,713,662	44,281,129
Debt service	793,097			793,097
Capital improvements	2,302,607	36,101,407	624,021	39,028,035
Other	767,869			767,869
Total expenditures	65,951,192	36,101,407	6,505,579	108,558,178
Excess (Deficiency) of revenues over expenditures	(314,989)	(35,894,973)	552,447	(35,657,515)
Other financing sources (uses):				
Transfers in			313,037	313,037
Transfers out	(216,922)		(96,115)	(313,037)
Proceeds from capital leases	169,449			169,449
Proceeds from bonds		93,019,083		93,019,083
Total other financing sources (uses)	(47,473)	93,019,083	216,922	93,188,532
Net change in fund balances	(362,462)	57,124,110	769,369	57,531,017
Fund balances, beginning of year	10,309,353	(858,266)	3,241,868	12,692,955
Fund balances, end of year	\$ 9,946,891	\$ 56,265,844	\$ 4,011,237	\$ 70,223,972

See independent auditors' report.
The accompanying notes are an integral part of these financial statements.

City of Sanford, Maine
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the year ended June 30, 2017

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 57,531,017
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Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays, net of loss from dispositions	36,743,954
Depreciation expense	(3,475,605)

Deferred outflows/inflows of resources represents a consumption/acquisition of net position that applies to a future period, therefore will not be recognized as an expenditure until then.

4,694,363

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

66,450

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Accrued interest	(801,040)
Landfill	35,000
Compensated absences	(130,976)
Other postemployment benefits expense	(110,164)
Pension expense	(5,515,835)

Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Capital lease proceeds	(169,449)
Capital lease principal payments	256,114

The issuance of long term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayments of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond proceeds	\$ (93,019,083)	
General obligation bond payments	898,391	
York County debt payments	78,112	(92,042,580)

Change in net position of governmental activities	\$ (2,918,751)
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See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

City of Sanford, Maine
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
General Fund
For the year ended June 30, 2017

	Budgeted amounts		Actual	Variance with final budget positive (negative)
	Original	Final		
Revenues:				
Taxes	\$ 32,965,805	\$ 32,965,805	\$ 33,263,487	\$ 297,682
Licenses, permits and fees	3,096,748	3,096,748	2,215,892	(880,856)
Intergovernmental	26,694,795	26,694,795	26,434,953	(259,842)
Interest earned	70,000	70,000	199,844	129,844
Other	393,470	393,470	1,055,347	661,877
Total revenues	63,220,818	63,220,818	63,169,523	(51,295)
Expenditures:				
Current:				
General government	7,161,284	7,161,284	7,198,696	(37,412)
Public services	1,925,204	1,925,204	1,830,959	94,245
Public safety	8,758,041	8,758,041	8,815,571	(57,530)
Public works	3,550,366	3,550,366	3,602,474	(52,108)
Education	38,124,930	38,124,930	37,237,467	887,463
County tax	812,539	812,539	812,539	
Other	868,093	868,093	767,869	100,224
Debt service	827,604	827,604	790,535	37,069
Capital improvements	2,042,757	3,414,331	2,302,607	1,111,724
Total expenditures	64,070,818	65,442,392	63,358,717	2,083,675
Excess (Deficiency) of revenues over expenditures	(850,000)	(2,221,574)	(189,194)	2,032,380
Other financing sources:				
Use of designated fund balance		1,371,574		(1,371,574)
Transfer out			(204,422)	(204,422)
Budgeted use of fund balance - City	850,000	850,000		(850,000)
Total other financing sources	850,000	2,221,574	(204,422)	(2,425,996)
Net change in fund balances - budgetary basis			(393,616)	
Reconciliation to GAAP basis:				
Change in general fund committed funds			31,154	
Net change in fund balances - GAAP basis			(362,462)	
Fund balance, beginning of year			10,309,353	
Fund balance, end of year			\$ 9,946,891	

See independent auditors' report.
The accompanying notes are an integral part of these financial statements.

City of Sanford, Maine
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

	Private-purpose Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 209,997	\$ 293,374
Investments	2,394,563	
Total assets	2,604,560	293,374
LIABILITIES		
Interfund loans	20,195	
Due to student groups		293,374
Total liabilities	20,195	293,374
NET POSITION		
Held in trust	\$ 2,584,365	\$ -

See independent auditors' report.
The accompanying notes are an integral part of these financial statements.

City of Sanford, Maine
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2017

	Private-purpose Trust Funds
Additions:	
Donations, interest and dividends	\$ 378,519
Total additions	378,519
Deductions:	
School scholarships	143,887
Total deductions	143,887
Other financing sources (uses):	
Transfers out	-
Change in net position	234,632
Net position, beginning of year	2,349,733
Net position, end of year	\$ 2,584,365

See independent auditors' report.

The accompanying notes are an integral part of these financial statements.

Notes to Financial Statements

June 30, June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Sanford, Maine (the City) have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (standards and interpretations), constitute GAAP for governmental units. GAAP also includes guidance from the American Institute of Certified Public Accountants in the publication entitled State and Local Governments. The more significant of the City's accounting policies are described below.

Reporting Entity

In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit was made by applying the criteria set forth in accounting principles generally accepted in the United States of America, which defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Based on application of these criteria, the following is a brief review of the discretely presented potential component unit addressed in defining the government's reporting entity.

Goodall Park Trust (the Trust) was established for the benefit of Goodall Park (the Park), which is an outdoor public space for the enjoyment of the citizens of the City of Sanford. The City pays 100% of the salaries for the Parks Department employees that provide the labor for the maintenance and general upkeep to the Park. The Trust provides additional resources for the maintenance of the Park. It was determined that the Trust should be reported as a discretely presented component unit.

Related Organizations:

The City's officials are responsible for appointing the members of the Board of Trustees of the Sanford Housing Authority, but the City's accountability does not extend beyond making the appointments. Thus, the accounts of the Sanford Housing Authority are not included in the accompanying financial statements.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City has elected not to allocate indirect costs among the programs, functions and segments. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

Notes to Financial Statements

June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic *resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. All assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of the City are included on the statement of net position. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *high school construction* fund accounts for the construction activity for the new high school and regional technical center.

Additionally, the City reports the following fund type:

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. The City's fiduciary funds include the following fund types:

Private-purpose trust funds are used to account for assets held by the City under a trust agreement for individuals, private organizations, or other governments and are, therefore, not available to support the City's own programs.

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the modified accrual basis of accounting. The funds are used to account for assets that the City holds for others in an agency capacity.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. All taxes, including those internally dedicated for specific purposes, are reported as general revenues rather than as program revenues.

Notes to Financial Statements

June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term certificates of deposit.

Maine statutes authorize the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities, certificates of deposit, repurchase agreements, corporate securities, financial institutions stock and other stock investments.

Investments are reported at fair value. Income earned from the investment of pooled cash is allocable to various funds.

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the City uses various methods, including market, income and cost approaches. Based on these approaches, the City often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The City utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the City is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 – Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.
- Level 2 – Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data.
- Level 3 – Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

In determining the appropriate levels, the City performs a detailed analysis of the assets and liabilities. At each reporting period, all assets and liabilities for which the fair value measurement is based on significant unobservable inputs, are classified as Level 3.

Receivables and Payables

All outstanding balances between funds are reported as "interfund loans receivable/payable."

Inventory

Inventories are valued at cost using the first-in, first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Notes to Financial Statements

June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost or at cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the primary government are depreciated using the straight-line method over the assets' estimated useful lives ranging from 5 to 50 years.

Deferred Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and will not be recognized as an expense or expenditure until then. The City's deferred outflows relate to its pension liability and are disclosed in Note 7.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The liability for vacation pay and the buy-out of sick leave is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The City's deferred inflows on the statement of net position relate to its pension liability and are disclosed in Note 7. The City also has one type of deferred inflow, which arises under the modified accrual basis of accounting that qualifies for reporting in this category.

Notes to Financial Statements

June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Deferred Inflows of Resources – Continued

Accordingly, the item, unavailable revenue, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Fund Equity

Governmental Funds fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which those funds can be spent. The five classifications of fund balance for the Governmental Funds are, as follows:

- Nonspendable – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.
- Restricted – resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.
- Committed – resources which are subject to limitations the government imposes on itself at its highest level of decision-making authority, and that remain binding unless removed in the same manner.
- Assigned – resources that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
- Unassigned – resources that have not been restricted, committed, or assigned to specific purposes. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

The City Council has the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments. Likewise, the City Council or a body or official delegated by the City Council may assign unspent budgeted amounts to specific purposes in the General Fund at year-end based on Department requests.

Although not a formal policy, when both restricted and unrestricted resources are available for use, it is the City's intent to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned and unassigned resources are available for use, it is the City's intent to use committed or assigned resources first, and then unassigned resources as they are needed.

Use of Estimates

Preparation of the City's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

Notes to Financial Statements

June 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Recently Adopted Accounting Pronouncements

In August 2015, the GASB issued GASB Statement No. 77, "Tax Abatement Disclosure." This pronouncement established reporting standards for disclosure of information about the nature and magnitude of tax abatements and was adopted by the City as of June 30, 2017.

Recent Accounting Pronouncements

In June 2015, the GASB issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plan Other Than Pension Plans (OPEB)*. This statement improves accounting and financial reporting for OPEB. This statement replaces GASB Statement No. 45, and establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense. The new statement is effective for periods beginning after June 15, 2017.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

An annual budget is adopted by the City Council for the General Fund. The budget is prepared substantially in accordance with accounting principles generally accepted in the United States of America, except that the General Fund revenues and expenditures related to "on-behalf payments" made by the State of Maine to the Maine Public Employees Retirement System for teachers and certain other school employees and also the proceeds and related expenditures under capital leases are not budgeted. The legal level of control is at the department level. The accounting system is employed as a budgetary management control device to monitor the individual departments.

Excess of Expenditures over Appropriations

For the year ended June 30, 2017, expenditures exceeded appropriations in the following categories:

Administration	\$ 1,669	Fire Department	\$ 62,363
Personnel	3,483	Public Protection	6,047
Economic Growth Council	2,447	Regional Communication	56,190
Insurance Property & Casualty	5,459	Environmental Services	64,907
Employee Insurance/Benefits	134,833	Other	1,505

Deficit Fund Balances

At June 30, 2017, the following funds had deficit fund balances over \$10,000:

Title IA	\$ 121,998
IDEA – Local Entitlement	106,949
Title IIA – Teacher Quality	30,265
Consolidated Elementary	360,423
SRE Building Airport	81,996

These deficits which for the most part are the result of the timing of billing, will be funded by future grant revenue, charges for services or future bond proceeds or the General Fund.

Notes to Financial Statements

June 30, 2017

NOTE 3 – CASH AND INVESTMENTS

Deposits and Investments

Custodial credit risk - deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's policy is to have its deposits covered by F.D.I.C. insurance or by additional insurance purchased on behalf of the City by the respective banking institution. As of June 30, 2017, of the City's bank balance of \$83,552,449, none of the balance was exposed to custodial credit risk due to being uninsured and uncollateralized. All of the City's deposits were covered by the F.D.I.C. or by additional insurance purchased on behalf of the City by the respective banking institutions in the City's name.

Custodial credit risk – investments: For investments, this is the risk that in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The City's policy is to have its deposits covered by S.I.P.C. insurance or by additional insurance purchased on behalf of the City by the respective banking institution. All of the City's \$409,799 investment in money market and repurchase/sweep agreements was covered by the S.I.P.C. or by additional insurance purchased on behalf of the City by the respective banking institutions in the City's name. These are treated as cash equivalents for financial statement purposes.

At June 30, 2017, the City had the following investments and maturities:

	Fair Value	Less Than 1 Year	1-5 Years	More Than 5 Years
Cash equivalents	\$ 285,627	\$ 285,627		
Fixed income	619,206	50,054	\$ 569,152	
Mutual funds (1)	169,459		Not applicable	
Equities	1,955,663		Not applicable	
Maine Community Foundation	505,500	303,300	202,200	
Total investments	<u>\$ 3,535,455</u>	<u>\$ 638,981</u>	<u>\$ 771,352</u>	

Investments have been reported, as follows:

Reported in governmental funds	\$ 649,523
Reported in component unit funds	491,369
Reported in fiduciary funds	2,394,563
Total investments	<u>\$ 3,535,455</u>

Interest Rate Risk: The City does not have a policy related to interest rate risk.

Credit Risk and Concentration of Credit Risk: Maine statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. The City does not have a formal policy related to credit risk. With respect to concentration of credit risk the City does not have any investments exceeding 5% of the total portfolio.

Notes to Financial Statements

June 30, 2017

NOTE 3 – CASH AND INVESTMENTS – CONTINUED

Deposits and Investments – Continued

Fair Value

Fair values of assets measured on a recurring basis at June 30, 2017 are, as follows:

June 30, 2017	Total	Level 1	Level 2	Level 3
Cash equivalents	\$ 285,627	\$ 285,627		
Mutual funds	169,459	169,459		
Equities	1,955,663	1,955,663		
Fixed income	619,206	619,206		
Maine Community Foundation	505,500	151,650	151,650	202,200
	<u>\$ 3,535,455</u>	<u>\$ 3,181,605</u>	<u>\$ 151,650</u>	<u>\$ 202,200</u>

The Maine Community Foundation (MCF) holds thirteen investment accounts for the School Department, which are included in the MCF's general investment pool. The investments held by MCF were allocated to level 1, 2, and 3 on a pro-rata basis according to the classifications as presented in MCF's most recently issued financial statements. MCF issues a publicly available financial report, which can be obtained by visiting their website.

NOTE 4 – RECEIVABLES AND PROPERTY TAXES

Receivables

Receivables as of year-end for the City's individual major funds and nonmajor funds in the aggregate are, as follows:

	General Fund	Nonmajor Funds	Total
Receivables			
Taxes	\$ 1,374,132		\$ 1,374,132
Liens	622,045		622,045
Accounts and intergovernmental	698,638	\$ 491,160	1,189,798
Net total receivables	<u>\$ 2,694,815</u>	<u>\$ 491,160</u>	<u>\$ 3,185,975</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the deferred inflows of resources are reported in the governmental funds, as follows:

	Unavailable
Deferred inflows of resources	
Unavailable revenue – property taxes (general fund)	<u>\$ 1,604,139</u>

Notes to Financial Statements

June 30, 2017

NOTE 4 – RECEIVABLES AND PROPERTY TAXES – CONTINUED

Property Tax

Property taxes for the current year were committed on August 16, 2016, on the assessed value listed as of the prior April 1st for all real and personal property located in the City. Assessed values are periodically established by the City's Assessor at 100% of assumed market value. The assessed value represented 94.9% of the estimated State valuation of \$1,377,550,000.

The City is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$131,684 for the year ended June 30, 2017.

Tax liens are placed on real property within twelve months following the tax commitment date, if taxes are delinquent. The City has the authority to foreclose on property eighteen months after the filing of the lien if the tax liens and associated costs remained unpaid.

Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivables collected during the year and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as deferred inflows of resources in the fund financial statements.

The following summarizes the 2017 levy:

Assessed value	\$ 1,306,851,570
Tax rate (per \$1,000)	22.74
Commitment	29,717,805
Supplemental taxes assessed	
Total levy	29,717,805
Less collections	28,552,591
Current year taxes receivable	1,374,132
Prior year taxes receivable	622,045
Receivable at end of year	<u>\$ 1,996,177</u>
Due date(s)	½ September 16, 2016 ½ March 17, 2017
Interest rate on delinquent taxes	7%
Collection rate	96.1%

Notes to Financial Statements

June 30, 2017

NOTE 4 – RECEIVABLES AND PROPERTY TAXES – CONTINUED

Interfund Receivables and Payables – Continued

Individual interfund loans receivable and payable balances and transfers at June 30, 2017 were, as follows:

Fund	Interfund Loans Receivable	Interfund Loans Payable
General Fund	\$ 3,355,787	
High School Interim Financing Fund		\$ 9,045
Other Governmental Funds	757,925	4,084,472
Fiduciary Funds		20,195
	<u> </u>	<u> </u>
Totals	<u>\$ 4,113,712</u>	<u>\$ 4,113,712</u>

NOTE 5 – CAPITAL ASSETS

Capital Assets

	Balance June 30, 2016	Increases	Decreases	Balance June 30, 2017
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 4,416,664		\$ (11,011)	\$ 4,405,653
Construction in progress	7,499,883	\$36,101,407		43,601,290
Artwork	33,000			33,000
Total capital assets, not being depreciated	<u>11,949,548</u>	<u>36,101,407</u>	<u>(11,011)</u>	<u>48,039,943</u>
Capital assets, being depreciated				
Land improvements	1,102,076			1,102,076
Buildings and improvements	26,065,525		\$ (125,161)	25,940,364
Machinery and equipment	7,438,954	269,484	(13,745)	7,694,693
Vehicles	6,127,885	411,074	(213,480)	6,325,479
Library supplies	1,566,315			1,566,315
Infrastructure	75,510,903			75,510,903
Total capital assets being depreciated	<u>117,811,658</u>	<u>680,558</u>	<u>(352,386)</u>	<u>118,139,830</u>
Less accumulated depreciation for:				
Land improvements	(547,990)	(27,595)		(575,585)
Buildings and improvements	(12,155,653)	(625,054)	125,160	(12,655,547)
Machinery and equipment	(4,850,457)	(412,304)	13,745	(5,249,016)
Vehicles	(3,680,673)	(430,531)	186,480	(3,924,724)
Library supplies	(1,456,632)	(103,701)		(1,560,333)
Infrastructure	(47,065,509)	(1,876,419)		(48,941,928)
Total accumulated depreciation	<u>(69,756,914)</u>	<u>(3,475,604)</u>	<u>325,386</u>	<u>(72,907,133)</u>
Total capital assets being depreciated, net	<u>48,054,743</u>	<u>(2,795,046)</u>	<u>(27,000)</u>	<u>45,232,697</u>
Governmental activities capital assets, net	<u>\$60,004,280</u>	<u>\$33,306,361</u>	<u>\$ (38,001)</u>	<u>\$93,272,640</u>

Notes to Financial Statements

June 30, 2017

NOTE 5 – CAPITAL ASSETS – CONTINUED

Capital Assets – Continued

Depreciation expense was charged to functions/programs of the primary government, as follows:

Governmental activities	
General government	\$ 23,668
Public safety	246,822
Public works, including depreciation of general infrastructure assets	1,967,504
Public services	444,510
Education	793,100
	<u>793,100</u>
Total depreciation expense	<u>\$ 3,475,604</u>

NOTE 6 – LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2017 was, as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds and notes payable	\$15,604,051	\$93,019,083	\$ (898,391)	\$107,724,743	\$ 627,427
Note payable –					
York County	156,223		(78,112)	78,111	78,111
Capital leases	850,676	169,449	(256,114)	764,011	227,550
Net pension liability	9,723,580	5,515,835		15,239,415	
Compensated absences	2,199,588	130,976		2,330,564	
Other post-employment benefits	1,187,267	110,164		1,297,431	
Landfill postclosure care costs	285,000		(35,000)	250,000	35,000
Long-term liabilities	<u>\$30,006,385</u>	<u>\$98,945,507</u>	<u>\$(1,267,617)</u>	<u>\$127,684,275</u>	<u>\$ 968,088</u>

Note Payable – York County

During the fiscal year ended June 30, 2013, York County changed its fiscal year end and assessed county tax over a six-month interim period. The amount of tax assessed to the City of Sanford, Maine totaled \$390,559. The City has an agreement with the County to pay the \$390,559 in five equal annual payments of \$78,112, starting on December 31, 2013 and ending December 31, 2017. As of June 30, 2017, the City's outstanding amount of the note payable to York County was \$78,111.

Notes to Financial Statements

June 30, 2017

NOTE 6 – LONG-TERM DEBT – CONTINUED

Capital Leases

The City and School Department have lease agreements for equipment and vehicles. Those leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the date of their inception in the government-wide financial statements. The following is a schedule of future minimum lease payments under the capital leases and the present value of the minimum lease payments at June 30, 2017:

Fiscal Year Ending	
2018	\$ 254,776
2019	183,283
2020	177,238
2021	132,005
2022	45,545
2023	45,545
Total minimum lease payments	838,392
Less amount representing interest	(74,381)
Present value of future minimum lease payments	<u>\$ 764,011</u>

Long Term Debt

	Originally Issued	Date Original Amount Issued	Date of Maturity	Interest Rate	Ending Balance
Bonds and notes payable:					
Nasson College Academic					
Building Bonds	\$ 131,000	1969	2019	3.00%	\$ 7,938
Roundabout/Millyard	3,650,000	2008	2024	2.075-5.575%	1,330,000
Police Station Part 1	3,210,000	2010	2029	2.00-5.50%	2,357,974
Police Station Part 2	3,000,000	2010	2030	3.436%	2,270,376
Brownfield Revolving Loan Fund	181,000	2014	2025	3.00%	139,372
School Energy Improvements	1,500,000	2014	2024	1.67%	1,200,000
School Construction	100,419,083	2017	2037	1.54-4.18%	100,419,083
Total bonds and notes payable	<u>\$112,091,083</u>				<u>\$107,724,743</u>

The annual debt service requirements to amortize bonds and notes payable are, as follows:

Years Ending June 30,	Principal	Interest	Total
2018	\$ 627,427	\$ 4,177,172	\$ 4,804,599
2019	5,662,398	3,260,470	8,922,868
2020	5,665,353	3,193,892	8,859,245
2021	5,678,381	3,072,628	8,751,009
2022	5,692,161	2,936,986	8,629,147
2023-2027	27,752,012	12,432,233	40,184,245
2028-2032	56,647,011	12,024,314	68,671,325
Totals	<u>\$107,724,743</u>	<u>\$ 41,097,695</u>	<u>\$148,822,438</u>

Notes to Financial Statements

June 30, 2017

NOTE 6 – LONG-TERM DEBT – CONTINUED

In accordance with 30 MRSA, Section 5061, as amended, no municipality shall incur debt for specified purposes in excess of certain percentages of state valuation of such municipality. Additionally, no municipality shall incur debt in the aggregate in excess of 15% of its State assessed valuation. At June 30, 2017, the City's outstanding debt did not exceed these limits.

Landfill Closure and Postclosure Care Costs

Under State law, Maine communities had until December 31, 1994 to close existing landfills under a Maine Department of Environmental Protection (DEP) approved plan. Prior to 1995, the DEP expressed a strong concern over leachate emanating from the former landfill operation at Rushton Street. The landfill was closed in 1982 under a consent decree with the DEP, and has not accepted waste since that time. A portion of the site continues to be used as a staging area for certain demolition debris and other waste and the City's transfer station is located adjacent to the closed landfill. The DEP retained, at its expense, an engineering firm to determine the extent of contamination and the estimated cost of remedial actions needed and, in June 1995, issued a Department Order designating the site as an Uncontrolled Hazardous Substance Site and naming the City as a responsible party. The City had also retained an engineering firm, which presented the City a report depicting several remedial options with estimated costs ranging from \$5,000,000 to \$15,000,000.

During fiscal year 1996, negotiations with the DEP continued, and in April 1996, the DEP approved the City's "conceptual closure remedy," which was projected to cost \$6,350,000. In addition, annual costs of monitoring the site and of operation and maintenance of the remedy were projected to approximate as much as \$230,000. Based on the approval, the City recorded a liability of \$10,950,000, representing the initial capital costs and anticipated monitoring costs over a 20-year period, at June 30, 1996.

Authorization for issuance of bonds to be used for financing the project was subject to approval at a City meeting prior to commencement of the actual remedial activities envisioned by the plan. The November 1996 City Meeting did not approve the financing of a \$6,350,000 remedy. However, it appropriated funds for a thorough review of alternative remedies, and in May 1997, it appropriated \$1,200,000 for final remedial design and construction of a phased-in remedy. Phases one and two, involving the relocation of the waste, grading of the landfill, and installation and improvement of drainage and the monitoring of effects of these improvements, were completed at a cost of approximately \$950,000 during fiscal years 1997-1999. In November 1999, the City agreed to the stipulations contained in an Administrative Order issued by the DEP. This order called for phase three site activities, as well as relocation of a demolition debris staging area. Phase three construction, which started in fiscal 2000, was completed during fiscal 2001 at a cost of approximately \$2,316,000. Funding for phase three of the project was provided by the utilization of \$980,000 of state reimbursement, \$739,000 of funds previously set aside by the City, and \$597,000 of undesignated surplus approved at the October 12, 1999 City meeting, which consists of \$147,000 appropriated prior to July 1, 2000 and a supplemental appropriation of approximately \$450,000 during fiscal 2001. Phase three included capping the current construction and demolition debris areas, additional grading, construction of a slurry wall, and installation of extraction wells and pumps.

Notes to Financial Statements

June 30, 2017

NOTE 6 – LONG-TERM DEBT – CONTINUED

Landfill Closure and Postclosure Care Costs - Continued

The City completed phase three improvements in 2000 and since then, has been operating the landfill remediation system. If the DEP determines that the City's remedial action has not caused surface water quality to meet the State's Class B surface water standards, the City and the DEP "shall meet to jointly evaluate the technical feasibility of further remediation under this paragraph [paragraph 34 of the Administrative Order], and the Respondent [City] shall perform further remediation as required by the DEP subject to" the Order's dispute resolution provisions. Under the terms of the DEP Administrative Order, the City was to submit a study report by December 31, 2004 to demonstrate the effects that these phased improvements had on water quality in the southern tributary of the Mousam River and discuss with the DEP what, if any, additional remediation measures must be undertaken at the Site. That report was submitted and discussions did occur.

The testing to date shows significant water quality improvement, but the data also shows that the southern tributary of the Mousam River is exceeding certain water quality parameters. To this date, no additional remediation measures have been determined to be necessary. Data collected up to and including 2013 continue to show that the corrective actions are performing as intended in the remedial design. While it is possible that the City will be required to spend additional amounts at this site, those amounts, if any, are unknown at this time. In the past, it has been stated that it is possible that the ultimate cost of the project may be less than the amounts recorded on the government-wide financial statements if no further remedial actions are necessary, and that no further adjustment to such provision will be reflected until such time as the results of phases one, two, and three discussed above are known. In July 2004, the City submitted the semi-annual report, and in December 2004, the City submitted the "Remedial Action Evaluation Report" and the 2004 annual report. In 2009, the City submitted the next scheduled remedial action assessment. The "2008 Annual Report," dated February 2009, observed improving water quality as a result of the City's activities, and the 2008 Annual Report indicates that the corrective actions "are performing as intended by the remedial design." The "2010 Annual Water Quality Report/2010 Remedial Action Evaluation Report," submitted to the DEP on December 30, 2010, indicated that the 2005 to 2010 remedial actions are capable of maintaining the improved water quality conditions in the Southern Tributary. The "2011 Annual Water Quality Report" continues to indicate that the "remedial actions are capable of maintaining the improved water quality conditions in the Southern Tributary, despite significant additional water flux at the landfill and a variety of unusual natural conditions." The "2012 Annual Water Quality Report" continues to indicate the remedial actions can maintain stable Southern Tributary Water Quality, and that "this provides the necessary protection to maintain Class C criteria in the Mousam River." The City continues to perform routine testing and files electronic semi-annual and written annual reports to the DEP. The City has met the objective of reducing contamination in the Southern Tributary and has demonstrated that the remedial actions can maintain improvements. In the event that the stable water quality parameters achieved through the remediation project deteriorate or regulations change, the City would likely commission additional engineering evaluation and determine the scope and cost of future improvements. Therefore, at June 30, 2017, the City's recorded liability representing the remaining cost related to closure and post closure is \$210,000. This is based upon 7 additional years of monitoring the site at an annual cost of \$35,000 per year. Actual costs may increase due to the results of monitoring, inflation, changes in technology, or changes in laws and regulations.

In August 1994, a former privately-owned landfill operation (Whichers Mill), to which the City had contributed and directed solid waste, was permanently closed. The City will be responsible for maintaining and monitoring the former landfill site and has recorded such estimated future costs, totaling \$40,000, as a liability in the government-wide financial statements. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

Notes to Financial Statements

June 30, 2017

NOTE 6 – LONG-TERM DEBT – CONTINUED

Overlapping Debt

The City is subject to an annual assessment of its proportional share of York County expenses, including debt repayment, as determined by the percentage of the City's State valuation to the County's State valuation. At June 30, 2017, the City's share is 4.48%, or \$226,395 of York County's \$5,053,463 long-term debt outstanding as of June 30, 2017.

Conduit Debt

The City has, from time to time, assisted third parties in financing capital activities by participating in conduit debt transactions. The City is not obligated in any manner for this debt and, as a result, has not reported these liabilities or any related assets in the basic financial statements. The outstanding principal balance of conduit debt, as of June 30, 2017, was \$1,272,711.

NOTE 7 – PENSION PLANS

Plan Descriptions

The City contributes to the Maine Public Employees Retirement System as part of the State Employee and Teacher Plan (the Teacher Plan) and also the Participating Local District Consolidated Plan (the PLD plan) or (the Plans), which are cost sharing multiple employer defined benefit pension plans. The Plans were established as the administrator of a public employee retirement system under the Laws of the State of Maine. The City School Department's teaching certified employees, plus other qualified educators, are eligible to participate in the Teacher Plan. The Teacher Plan covers 236 participating employers. The City's general services, public works, Sanford Regional Communication Center, and management group, police and fire employees and the City School Department's custodians, school lunch personnel, and other non-teacher personnel including, some ed techs, central office employees, and secretaries employees have the option to participate in the PLD Plan. The PLD Plan covers 283 participating employers.

Employee membership data related to the Plans system wide, as of June 30, 2016 was, as follows:

	Teachers	PLD
Current participants: Vested and non-vested	39,942	11,019
Terminated participants: Vested	7,783	2,221
Terminated participants: Inactive due refunds	37,656	6,849
Retirees and beneficiaries receiving benefits	34,181	8,847
	<u>119,562</u>	<u>28,936</u>

Notes to Financial Statements

June 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

Plan Descriptions – Continued

Benefit terms are established by Maine statute, in the case of the PLD Plan, an advisory group, also established by statute, reviews the terms of the Plan and periodically makes recommendations. The Plans' retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for Teacher Plan members is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. For PLD Plan members, normal retirement age is 60. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The Plans also provide disability and death benefits which are established by statute for State employee members and by contract with other participating employers under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the Plan's Board of Trustees and is currently 5%.

For the year ended June 30, 2017, the City's total payroll for all employees was \$31,312,094. Total covered payroll was \$19,789,278 for the Teacher Plan and \$9,463,553 for the PLD Plan. Covered payroll refers to all compensation paid by the City to active employees covered by the Plan.

Contributions

The contribution requirements of the Teacher Plan members are defined by law or the Plan's Board. Teacher Plan members of the City School Department are required to contribute 7.65% of covered compensation to the Teacher Plan. The employees' contributions are deducted from the employee's wages or salary and remitted by the City School Department to the Teacher Plan on a monthly basis. The State is statutorily required to contribute 10.02% of annual Teacher wages, excluding wages covered by grants, which pays for the unfunded liability for the teachers. Employer contribution rates are determined through actuarial valuations. The City School Department's required contribution rate for the year ended June 30, 2017 was 3.36% of annual Teacher payroll, plus 10.02% for grant fund wages, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year (normal cost contributions). The City School Department's contributions to the Teacher Plan for the year ended June 30, 2017 were \$788,075.

The contribution requirements of the PLD Plan members are defined by law or the Plan's Board. Employees of the City and City School Department are required to contribute between 7.5-9.0% of covered compensation to the PLD Plan. The contributions are deducted from the employee's wages or salary and remitted by the City School Department to the Plan on a monthly basis. Employer contribution rates are determined through actuarial valuations. The City and City School Department's required contribution rate for the year ended June 30, 2016, was between 9.1% and 14.2% of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City School Department's and the City's contributions to the Plan for the year ended June 30, 2017 were \$1,252,434.

Notes to Financial Statements

June 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

Teacher Plan

At June 30, 2017, the City School Department reported a liability for its proportionate share of the net pension liability that reflected a reduction of State pension support provided to the City School Department. The amount recognized by the City School Department as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the City School Department were, as follows:

City School Department's proportionate share of the net pension liability	\$ 2,245,903
State's proportionate share of the net pension liability associated with the City School Department	26,241,411
Total	<u>\$ 28,487,314</u>

The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City School Department's proportion of the net pension liability was based on a projection of the School Department's long-term share of contributions relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2016, the City School Department's proportion was 0.127 percent, which was an increase of 0.02 from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the School Department recognized pension expense of \$1,003,541 and revenue of \$1,753,543 for support provided by the State. In addition, the School Unit reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ 43,435	\$ 4,242
Changes of assumptions		57,681
Net difference between projected and actual earnings on Plan investments	717,166	293,862
Changes in proportion and differences between contributions and proportionate share of contributions	201,240	43,037
Contributions subsequent to the measurement date	788,075	
Total	<u>\$ 1,749,916</u>	<u>\$ 398,822</u>

Notes to Financial Statements

June 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

Teacher Plan - Continued

The \$788,075 of deferred outflows of resources, resulting from the City School Department's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be netted and recognized in pension expense (reduction in expense), as follows:

Years ending June 30,	
2018	\$ 101,278
2019	148,557
2020	201,990
2021	111,194
Total	<u>\$ 563,019</u>

PLD Plan

At June 30, 2017, the City and the City School Department reported a liability of \$12,993,512 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City and the City School Department's proportion of the net pension liability was based on a projection of the City and the City School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2016, the City and the City School Department's proportion was 2.45%, which was a decrease of 0.15% from its proportion measured as of June 30, 2015.

For the year ended June 30, 2017, the City and the City School Department recognized pension expense of \$1,872,796. At June 30, 2017, the City and the City School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual results	\$ 157,512	\$ 835,726
Changes of assumptions	1,392,936	
Net difference between projected and actual earnings on Plan investments	4,801,528	1,998,332
Changes in proportion and differences between contributions and proportionate share of contributions		777,197
Contributions subsequent to the measurement date	1,252,434	
Total	<u>\$ 7,604,410</u>	<u>\$ 3,611,255</u>

Notes to Financial Statements

June 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

PLD Plan - Continued

The \$1,252,434 of deferred outflows of resources, resulting from the City's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be netted and recognized in pension expense (reduction in expense), as follows:

Years ending June 30,	
2018	\$ 283,049
2019	241,039
2020	1,467,759
2021	748,874
Total	<u>\$2,740,721</u>

Actuarial Assumptions

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	Teachers Plan 2.20% and PLD Plan 2.20%, per annum
Salary increases	Teachers Plan 2.75%-14.5% and PLD Plan 2.75%-9.0%, per year
Investment rate of return	Teachers Plan 6.875% and PLD Plan 6.875%, per annum, compounded annually

Mortality rates were based on the RP-2014 Total Dataset Health Annuitant Mortality Table for Males or Females, as appropriate.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period of June 30, 2012 to June 30, 2015.

Notes to Financial Statements

June 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

Actuarial Assumptions - Continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation %	Long-term Expected Real Rate of Return
Fixed income	25%	2.9 %
U.S. equities	20%	5.7 %
Non-U.S. equities	20%	5.5 %
Real estate	10%	5.2 %
Infrastructure	10%	5.3 %
Private equity	10%	7.6 %
Hard Assets	5%	5.0 %
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 6.875% for the Teacher Plan and for the PLD Plan. The projection of cash flows used to determine the discount rate assumed that employee contributions would be made at the current contribution rate and that contributions from employers would be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

Teacher Plan

The following presents the City School Department's proportionate share of the net pension liability calculated using the discount rate of 6.875%, as well as what the City School Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.875%) or 1-percentage-point higher (7.875%) than the current rate:

	Discount rate	City and School Department's proportionate share of net pension liability
1% decrease	5.875%	\$ 3,596,263
Current discount rate	6.875%	\$ 2,245,903
1% increase	7.875%	\$ 1,120,390

Notes to Financial Statements

June 30, 2017

NOTE 7 – PENSION PLANS – CONTINUED

PLD Plan

The following presents the City and the City School Department's proportionate share of the net pension liability calculated using the discount rate of 6.875%, as well as what the City and the City School Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.875%) or 1-percentage-point higher (7.875%) than the current rate:

	<u>Discount rate</u>	<u>City and School Department's proportionate share of net pension liability</u>
1% decrease	5.875%	\$ 21,566,889
Current discount rate	6.875%	\$ 12,993,512
1% increase	7.875%	\$ 4,921,983

Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued Maine Public Employees Retirement System financial report.

On-Behalf Payments

The State of Maine makes a contribution to the Maine Public Employees Retirement System Teachers Fund for the teachers of the City School Department. The actual payment, which is made by the State, is determined by an actuary for the entire teachers' fund. The Maine Public Employees Retirement System estimates the payment made on-behalf of the City School Department to approximate 10.02% of the qualified teachers' salaries, plus an additional 2.66% for health insurance. For the year ended June 30, 2017, the total amount of on-behalf payments was approximately \$2,330,000 and was recognized in the fund financial statements. The amount of on-behalf payments recognized in the government wide financial statements for pension expense was approximately \$2,584,000.

Notes to Financial Statements

June 30, 2017

NOTE 8 – FUND BALANCES AND NET POSITION

Fund Balances

As of June 30, 2017, fund balance components consisted of the following:

	General Fund	High School Construction	Other Governmental Funds	Total
Nonspendable:				
Inventory			\$ 35,877	\$ 35,877
Land held for resale			109,500	109,500
Principal for permanent funds			6,000	6,000
Total Nonspendable			<u>151,377</u>	<u>151,377</u>
Restricted:				
Special revenue funds			2,916,932	2,916,932
Capital project funds – City			3,880	3,880
Capital project funds – High School construction		\$56,265,844		56,265,844
Permanent funds -			910,015	910,015
Total Restricted		<u>56,265,844</u>	<u>3,830,827</u>	<u>60,096,671</u>
Committed:				
Capital plan	\$ 1,111,724			1,111,724
Capital projects			729,559	729,559
Total Committed	<u>1,111,724</u>		<u>729,559</u>	<u>1,841,283</u>
Assigned:				
Subsequent budget – School	725,000			725,000
Subsequent budget – City	850,000			850,000
Various assigned funds	136,557			136,557
Total Assigned	<u>1,711,557</u>			<u>1,711,557</u>
Unassigned:				
School	261,297			261,297
City	6,862,313		(700,526)	6,161,787
	<u>7,123,610</u>		<u>(700,526)</u>	<u>6,423,084</u>
Total Fund Balance	<u>\$ 9,946,891</u>	<u>\$56,265,844</u>	<u>\$ 4,011,237</u>	<u>\$70,223,972</u>

Net Position

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and capital leases payable and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Notes to Financial Statements

June 30, 2017

NOTE 8 – FUND BALANCES AND NET POSITION – CONTINUED

Net Position – Continued

The City's net investment in capital assets was calculated as follows at June 30, 2017:

	Governmental Activities
Capital assets	\$ 166,179,773
Accumulated depreciation	(72,907,133)
Bonds and notes payable	(107,724,743)
Capital leases	(764,011)
Unspent bond proceeds	61,869,531
	<hr/>
Net investment in capital assets	<u>\$ 46,653,417</u>

NOTE 9 – TAX ABATEMENTS AND TAX INCREMENT FINANCING DISTRICTS

The City entered into property tax abatement agreements (credit enhancement agreements) with local businesses under Municipal Tax Increment Financing Districts approved by the State of Maine Department of Economic and Community Development. Under the agreements, the City may grant reimbursement limited to incremental taxes from the new actual increased assessed value projected at 25 percent to 95 percent of the increase. The agreements may be granted to businesses located within the City that is providing economic development.

For the fiscal year ended June 30, 2017, the City abated property taxes totaling \$233,399 under the program, including the following tax abatement agreements that each exceed 10 percent of the total amount abated:

An 85 percent property tax abatement to a rug manufacturer that is a significant employer in the City. The abatement is to assist the employer to retain employees and to expand the business. The abatement amounted to \$77,315.

A 95 percent property tax abatement to encourage redevelopment of a mill building located in the City. The abatement amounted to \$60,807.

All the remaining businesses abatements in the aggregate totaled \$95,277 with a percent of property tax abatement ranging from 50 percent to 95 percent.

The City also has a Route 109 tax increment financing district with total tax captured of \$411,946 for which the tax revenues are set aside and utilized for marketing of the City's downtown and mills as an investment site, promotional events and operational and administrative support for the Office of economic Affairs.

Notes to Financial Statements

June 30, 2017

NOTE 10 – OPERATING LEASES

The City and School Department have several lease agreements for equipment, office space and portable classrooms. Those leases qualify as operating leases for accounting purposes and, therefore, only the current year payment has been recorded in the financial statements.

The following is an analysis of the payments due under operating leases as of June 30, 2017:

Fiscal Year Ending	
2018	\$ 106,810
2019	69,846
2020	<u>2,400</u>
Total operating lease payments due	<u>\$ 179,056</u>

NOTE 11 – OTHER INFORMATION

Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the City either carries commercial insurance, participates in a public entity risk pool, or is effectively self-insured. Currently, the City participates in a public entity risk pool sponsored by Maine Municipal Association for workers' compensation. Based on the coverage provided by these pools, as well as coverage provided by commercial insurance purchased, the City is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2017.

NOTE 12 – DEFERRED COMPENSATION PLAN

The City of Sanford, Maine offers certain employees a deferred compensation plan created in accordance with Internal Revenue (IRC) Section 457. The Plan permits participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Assets of the Plan are placed in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets, are not included in the City's financial statements.

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS

The Governmental Accounting Standards Board (GASB) promulgated its Statement 45, which addressed the reporting and disclosure requirements for other post employment benefits (OPEB). GASB Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, was implemented, as required, by the City of Sanford, Maine for the year ended June 30, 2009. Under this pronouncement, it requires that the long-term cost of retirement health care and obligations for other postemployment benefits be determined on an actuarial basis and reported similar to pension plans.

Notes to Financial Statements

June 30, 2017

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS -- CONTINUED

The City is a member of the Maine Municipal Employees Health Trust. The Trust is a multiple employer Voluntary Employee's Beneficiary Association. The City is an individually rated member within the Association. The Trust issues a publicly available financial report. That report may be obtained by writing to the Maine Municipal Association at 60 Community Drive, Augusta, ME 04332. The Trust contracted with an outside consultant to assist in the determination and valuation of the City's OPEB liability under GASB Statement 45. An OPEB liability actuarial valuation was completed by the consultants in August 2014 based on an actuarial valuation date of January 1, 2014.

Plan Descriptions – In addition to providing pension benefits, the City provides health care benefits for certain retired employees. Eligibility to receive health care benefits follows the same requirements as MainePERS. Eligible retirees are required to pay 100% of the health insurance premiums to receive health benefit coverage.

Funding Policy and Annual OPEB Cost – GASB Statement 45 does not mandate the prefunding of postemployment benefits liability. The City currently plans to fund these benefits on a pay-as-you-go basis. No assets have been segregated and restricted to provide postemployment benefits. The annual required contribution (ARC), an actuarial determined rate, represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities over a period not to exceed 30 years.

The following table represents the OPEB costs for the years and the annual required contribution:

	2017
Normal cost	\$ 49,240
Amortization of unfunded	105,348
Adjustment to ARC	(68,660)
Interest	47,491
Annual required contribution	<u>\$ 133,419</u>

Net OPEB Obligation —The City's net OPEB obligation was calculated, as follows:

	2017
OPEB liability, July 1,	\$ 1,187,267
Annual required contribution	136,480
Less: actual contributions	<u>(26,316)</u>
	<u><u>\$ 1,297,431</u></u>

Notes to Financial Statements

June 30, June 30, 2017

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS – CONTINUED

Funding Status and Funding Progress – The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2017 is, as follows:

Annual required contribution	\$ 157,649
Actual contribution	26,316
Percent contributed	<u>16.69%</u>
Actuarial accrued liability	1,894,547
Plan assets	
Unfunded actuarial accrued liability	<u>1,894,547</u>
Covered payroll	10,342,826
Unfunded actuarial accrued liability As a percentage of covered payroll	<u>18.32%</u>

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information (only two years available) that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions – Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets.

Significant methods and assumptions were, as follows:

Actuarial valuation date	January 1, 2017
Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	30 years
Actuarial assumptions:	
Investment rate of return	4.0%
Projected salary increases	N/A
Healthcare inflation rate	5.0% - 10.0%

Notes to Financial Statements

June 30, 2017

NOTE 14 – SUBSEQUENT EVENTS

School Department Construction

On January 19, 2017, the School Department borrowed approximately \$100.4 million in the form of a bond from the Maine Municipal Bond Bank. The interest rate ranges between 1.54% and 4.184% and any principal balance remaining after the scheduled payments is due on November 1, 2037. The approved total project cost for the new high school and regional technical center is \$102.7 million, including approximately \$2.3 million of local funds. Construction began in May 2016 and approximately \$70.5 million has been spent to date and the project is expected to be completed by August 1, 2018. On April 24, 2017, the School Department approved the elementary school construction project budget of \$42,999,125, which will be totally funded by the State of Maine Department of Education with no local cost.

Potential Costs Related to a Fire at an Abandoned Mill

In June 2017, a fire destroyed an abandoned mill and as a result there will be significant clean-up costs for which it is uncertain as to where the funds to cover the costs will come from. The City continues to work with the Environmental Protection Agency (EPA) to pursue federal funds under the Critical Remediation Program for the rear tower (June Mill fire). If no EPA participation is forth coming, then the City will pursue potential bond options to fund demolition as a local expense. Expenses based upon past quotations and dependent upon contamination levels could range from \$500k to \$1.5M for the demolition of the rear tower and center connector buildings.

Required Supplementary Information

June 30, 2017

Schedule of Funding Progress Other Post-Employment Benefits

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
2009	1/1/09	\$ -	\$2,107,460	\$ 2,107,460	0.00%	\$9,432,963	22.34%
2010	1/1/09		2,107,460	2,107,460	0.00%	9,473,582	22.25%
2011	1/1/11		2,057,933	2,057,933	0.00%	9,392,596	21.91%
2012	1/1/11		2,057,933	2,057,933	0.00%	9,350,059	22.00%
2013	1/1/11		2,057,933	2,057,933	0.00%	9,457,787	21.76%
2014	1/1/14		1,510,811	1,510,811	0.00%	9,579,591	15.77%
2015	1/1/14		1,510,811	1,510,811	0.00%	9,723,058	15.54%
2016	1/1/14		1,510,811	1,510,811	0.00%	10,235,897	14.76%
2017	1/1/17		1,894,547	1,894,547	0.00%	10,342,826	18.32%

City of Sanford, Maine
Schedule of Proportionate Share of the Net Pension Liability
Maine Public Employees Retirement System
June 30, 2017

Teacher Plan

Year Ended	Valuation Date	City Proportion of the Net Pension Liability	City Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Liability	Total Net Pension Liability	Covered Employee Payroll	City Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2017	June 30, 2016	0.13%	\$ 2,245,903	\$ 26,241,411	\$ 28,487,314	\$ 19,789,278	11.35%	76.21%
June 30, 2016	June 30, 2015	0.11%	\$ 1,421,755	\$ 20,122,264	\$ 21,544,019	\$ 19,068,408	7.46%	81.18%
June 30, 2015	June 30, 2014	0.11%	\$ 1,227,763	\$ 16,583,886	\$ 17,811,649	\$ 18,348,011	6.69%	84.04%

PLD Plan

Year Ended	Valuation Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Employee Payroll	Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2017	June 30, 2016	2.45%	\$ 12,993,512	\$ 9,463,553	137%	81.61%
June 30, 2016	June 30, 2015	2.60%	\$ 8,301,825	\$ 8,745,351	95%	88.27%
June 30, 2015	June 30, 2014	2.77%	\$ 4,258,929	\$ 8,630,045	49%	94.10%

City of Sanford, Maine
Schedule of Contributions
Maine Public Employees Retirement System
June 30, 2017

Teachers Plan

Year Ended	Valuation Date	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
June 30, 2017	June 30, 2016	\$ 788,075	\$ 788,075	\$ -	\$ 19,789,278	3.98%
June 30, 2016	June 30, 2015	\$ 790,776	\$ 790,776	\$ -	\$ 19,068,408	4.15%
June 30, 2015	June 30, 2014	\$ 649,160	\$ 649,160	\$ -	\$ 18,348,011	3.54%

PLD Plan

Year Ended	Valuation Date	Contractually Required Contribution	Contributions Relative to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
June 30, 2017	June 30, 2016	\$ 1,252,434	\$ 1,252,434	\$ -	\$ 9,463,553	13.23%
June 30, 2016	June 30, 2015	\$ 1,136,882	\$ 1,136,882	\$ -	\$ 8,745,351	13.00%
June 30, 2015	June 30, 2014	\$ 1,036,776	\$ 1,036,776	\$ -	\$ 8,630,045	12.01%

Combining Fund Information

City of Sanford, Maine
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2017

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Other Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 5,034,683	\$ 1,796,616	\$ 633,257	\$ 7,464,556
Investments			649,523	649,523
Accounts and intergovernmental receivable	491,160			491,160
Interfund loans	757,925			757,925
Inventory	35,877			35,877
Land (held for investment)			109,500	109,500
Total assets	6,319,645	1,796,616	1,392,280	9,508,541
LIABILITIES AND FUND BALANCES				
Liabilities:				
Deficit cash	700,860	428,757		1,129,617
Accrued payroll	283,215			283,215
Interfund loans	2,639,849	1,077,858	366,765	4,084,472
Total liabilities	3,623,924	1,506,615	366,765	5,497,304
Fund balances (deficit):				
Nonspendable	35,877		115,500	151,377
Restricted	2,916,932	3,880	910,015	3,830,827
Committed		729,559		729,559
Unassigned	(257,088)	(443,438)		(700,526)
Total fund balances	2,695,721	290,001	1,025,515	4,011,237
Total liabilities and fund balances	\$ 6,319,645	\$ 1,796,616	\$ 1,392,280	\$ 9,508,541

City of Sanford, Maine
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2017

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:				
Taxes	\$ 736,404			\$ 736,404
Intergovernmental	5,091,709	\$ 100,041		5,191,750
Donations			\$ 39,213	39,213
Interest earned	6,748		39,306	46,054
Other revenue	499,480	545,125		1,044,605
Total revenues	6,334,341	645,166	78,519	7,058,026
Expenditures:				
Current:				
General government	620,932			620,932
Public services	4,672		50,552	55,224
Public safety	57,910			57,910
Public works	433,830			433,830
Education	4,713,662			4,713,662
Capital expenditures		624,021		624,021
Total expenditures	5,831,006	624,021	50,552	6,505,579
Excess of revenues over expenditures	503,335	21,145	27,967	552,447
Other financing sources (uses):				
Transfers in	45,841	267,196		313,037
Transfers out	(96,115)		-	(96,115)
Total other financing sources (uses)	(50,274)	267,196	-	216,922
Net change in fund balances	453,061	288,341	27,967	769,369
Fund balances, beginning of year	2,242,660	1,660	997,548	3,241,868
Fund balances, end of year	\$ 2,695,721	\$ 290,001	\$ 1,025,515	\$ 4,011,237

City of Sanford, Maine
Nonmajor Special Revenue Funds
Combining Balance Sheet
General Government - Federal and State
June 30, 2017

	2042 KKW	2126 Workforce Development Grant	2130 Tourism Development	2132 2014 MEA Grant	2134 FEMA 4208 DR	2135 Trails Development Urban Forestry	2138 SCASDP Grant Airport	2142 PEG Access Grant	2143 Substance Abuse Assistance Program	Totals
ASSETS										
Cash and cash equivalents	\$ 86,497	\$ 18,400	\$ 25,887	\$ 101,000	\$ 123,780	\$ 21,078	\$ 32,505	\$ 29,130	\$ 2,136	\$ 440,413
Accounts receivable										
Total assets	86,497	18,400	25,887	101,000	123,780	21,078	32,505	29,130	2,136	440,413
LIABILITIES AND FUND BALANCES										
Liabilities:										
Deficit cash										
Interfund loans payable	47,967	18,400	25,887	101,000	34,904	7,496	\$ 32,505		2,136	270,295
Total liabilities	47,967	18,400	25,887	101,000	34,904	7,496	32,505		2,136	270,295
Fund balances:										
Restricted	38,530				88,876	13,582		29,130		170,118
Unassigned										
Total fund balances (deficit)	38,530				88,876	13,582		29,130		170,118
Total liabilities and fund balances	\$ 86,497	\$ 18,400	\$ 25,887	\$ 101,000	\$ 123,780	\$ 21,078	\$ 32,505	\$ 29,130	\$ 2,136	\$ 440,413

City of Sanford, Maine
Nonmajor Special Revenue Funds
Combining Balance Sheet
General Government - Other Programs
June 30, 2017

	2002 Rainbow Rug TIF	2003 US Felt TIF	2007 Rt 109 Downtown TIF	2008 Central Tire TIF	2009 Village Green TIF	2010 Sanford Institute for Savings TIF	2011 RUBB TIF	2012 Kennedy Center TIF	2013 SPH, LLC TIF	2014 Mill Development TIF	2015 New England Truck Tire TIF	2020 Impact Fees
ASSETS												
Cash and cash equivalents	\$ 241,213	\$ 132	\$ 873,246	\$ 55,055	\$ 50,165	\$ 76,311	\$ 74,342	\$ 31,825	\$ 138,275	\$ 186,720	\$ 22,299	\$ 247,800
Total Assets	241,213	132	873,246	55,055	50,165	76,311	74,342	31,825	138,275	186,720	22,299	247,800
LIABILITIES AND FUND BALANCES												
Liabilities:												
Deficit Cash												
Interfund loans payable	225,760		228,000	39,396	42,179	65,763	50,339	31,825	75,349	175,085	9,271	
Total Liabilities	225,760		228,000	39,396	42,179	65,763	50,339	31,825	75,349	175,085	9,271	
Fund balances:												
Restricted	15,453	132	645,246	15,659	7,986	10,548	24,003		62,926	11,635	13,028	247,800
Unassigned												
Total fund balances (deficit)	15,453	132	645,246	15,659	7,986	10,548	24,003		62,926	11,635	13,028	247,800
Total liabilities and fund balances	\$ 241,213	\$ 132	\$ 873,246	\$ 55,055	\$ 50,165	\$ 76,311	\$ 74,342	\$ 31,825	\$ 138,275	\$ 186,720	\$ 22,299	\$ 247,800

City of Sanford, Maine
Nonmajor Special Revenue Funds
Combining Balance Sheet
General Government - Other Programs
June 30, 2017

	2116	2118	2121	2123	2124	2131	2133	2281	2137	2139	2144	2146	
	Tax Acquired	Central Maine	Emerson	Seasonal	Roosevelt	Goodall Park	City	School	Legal	Dam	Fitness	Chamber	
	Property	Power	School	Decorations	School	100 Year	Unemployment	Unemployment	Reserve	Coalition	Zone	of Commerce	
	Remediation	Company				Anniversary	Compensation	Compensation					Totals
ASSETS													
Cash and cash equivalents	\$ 98,106	\$ 35,000	\$ 7,194	\$ 23,071	\$ 1,592	\$ 2,308	\$ 128,009	\$ 133,012	\$ 32,006	\$ 29,770	\$ 465	\$ 15,000	\$ 2,502,916
Total Assets	98,106	35,000	7,194	23,071	1,592	2,308	128,009	133,012	32,006	29,770	465	15,000	2,502,916
LIABILITIES AND FUND BALANCES													
Liabilities:													
Deficit Cash													
Interfund loans payable	27,908		7,194	15,571	1,592	2,308			3,578	3,585		11,324	1,016,027
Total Liabilities	27,908		7,194	15,571	1,592	2,308			3,578	3,585		11,324	1,016,027
Fund balances:													
Restricted	70,198	35,000		7,500			128,009	133,012	28,428	26,185	465	3,676	1,486,889
Unassigned													
Total fund balances (deficit)	70,198	35,000		7,500			128,009	133,012	28,428	26,185	465	3,676	1,486,889
Total liabilities and fund balances	\$ 98,106	\$ 35,000	\$ 7,194	\$ 23,071	\$ 1,592	\$ 2,308	\$ 128,009	\$ 133,012	\$ 32,006	\$ 29,770	\$ 465	\$ 15,000	\$ 2,502,916

City of Sanford, Maine
Nonmajor Special Revenue Funds
Combining Balance Sheet
Public Service
June 30, 2017

	2115 Gateway Park	2127 International Film Festival	2119 Village of Springvale Improve Committee	2080 Teen Center	2084 Airport Open House	2090 Imelda's Fund	2114 Ollie Fund Skate Park	Totals
ASSETS								
Cash and cash equivalents	\$ 437,624	\$ 15,969	\$ 16,945	\$ 7,164	\$ 16,154	\$ 18,661	\$ 5,000	\$ 517,517
Total Assets	437,624	15,969	16,945	7,164	16,154	18,661	5,000	517,517
LIABILITIES AND FUND BALANCES								
Liabilities:								
Deficit cash								
Interfund loans payable	436,277	15,969	8,982	2,027	5,434	7,678		476,367
Total Liabilities	436,277	15,969	8,982	2,027	5,434	7,678		476,367
Fund balances:								
Restricted	1,347		7,963	5,137	10,720	10,983	5,000	41,150
Unassigned								
Total fund balances (deficit)	1,347		7,963	5,137	10,720	10,983	5,000	41,150
Total liabilities and fund balances	\$ 437,624	\$ 15,969	\$ 16,945	\$ 7,164	\$ 16,154	\$ 18,661	\$ 5,000	\$ 517,517

City of Sanford, Maine
Nonmajor Governmental Funds
Combining Balance Sheet
Education
June 30, 2017

	2201 Wellness Team	2202 E-Rate	2203 Industrial Tech Sending School	2205 Lucy Emery Funds	2206 Eco Maine	2207 Momentum	2208 Remax Hometown Agency	2209 Efficiency Maine	2210 Kids Club	2211 Lafayette Local Funds	2212 Financial Literacy	2214 SRTC Donation	2215 Let's Go Grant	2216 CAPCO Grant
ASSETS														
Cash and cash equivalents	\$ 9	\$ 109,405	\$ 265,850	\$ 4,830	\$ 508		\$ 1,125		\$ 3,572		\$ 306	1,188	\$ 1,547	
Accounts receivable						815								
Interfund loans receivable		195,473	102,971					\$ 18,472	6,833	\$ 775				\$ 1,804
Inventory														
Total Assets	9	304,878	368,821	4,830	508	815	1,125	18,472	10,405	775	306	1,188	1,547	1,804
LIABILITIES AND FUND BALANCES														
Liabilities:														
Deficit Cash						815		18,472		775				1,804
Accounts payable														
Accrued Payroll														
Interfund loans payable														
Total Liabilities						815		18,472		775				1,804
Fund balances:														
Restricted	9	304,878	368,821	4,830	508		1,125		10,405		306	1,188	1,547	
Unassigned														
Total fund balances (deficit)	9	304,878	368,821	4,830	508		1,125		10,405		306	1,188	1,547	
Total liabilities and fund balances	\$ 9	\$ 304,878	\$ 368,821	\$ 4,830	\$ 508	\$ 815	\$ 1,125	\$ 18,472	\$ 10,405	\$ 775	\$ 306	\$ 1,188	\$ 1,547	\$ 1,804

City of Sanford, Maine
Nonmajor Governmental Funds
Combining Balance Sheet
Education
June 30, 2017

	2217 ING Unsung Heroes	2219 Genest/ SRTC Construction	2224 Smart Grant	2228 Partners in Arts & Learning	2238 College Transition	2239 Title IA	2249 MaineCare	2252 IDEA Grant - Local Entitlement	2253 ECT Grant (Preschool)	2258 21st Century
ASSETS										
Cash and cash equivalents	\$ 428	\$ 2,773	\$ 5	\$ 300	\$ 671		\$ 36,566			
Accounts receivable					9,640	\$ 131,167	14,332	\$ 115,829	\$ 14,560	\$ 18,864
Interfund loans receivable	1,451					64,506	49,692		15,306	907
Inventory										
Total Assets	1,879	2,773	5	300	10,311	195,673	100,590	115,829	29,866	19,771
LIABILITIES AND FUND BALANCES										
Liabilities:										
Deficit Cash						204,884		36,652	32,267	19,569
Accounts payable										
Accrued Payroll						112,787	23,823	103,413	3,412	201
Interfund loans payable					3			82,713		
Total Liabilities					3	317,671	23,823	222,778	35,679	19,770
Fund balances:										
Restricted	1,879	2,773	5	300	10,308		76,767			1
Unassigned						(121,998)		(106,949)	(5,813)	
Total fund balances (deficit)	1,879	2,773	5	300	10,308	(121,998)	76,767	(106,949)	(5,813)	1
Total liabilities and fund balances	\$ 1,879	\$ 2,773	\$ 5	\$ 300	\$ 10,311	\$ 195,673	\$ 100,590	\$ 115,829	\$ 29,866	\$ 19,771

City of Sanford, Maine
Nonmajor Governmental Funds
Combining Balance Sheet
Education
June 30, 2017

	2261 Title III - English Language Acquisition	2262 Title IIA - Teacher Quality	2266 Nellie Mae Grant	2268 Title IC - Perkins	2269 Adult Basic Education	2270 ARRA Jobs	2272 Corning Grant	2273 SHS iPad Program
ASSETS								
Cash and cash equivalents	\$ 716		\$ 459			\$ 912	\$ 2,891	\$ 44,263
Accounts receivable		\$ 12,959		\$ 52,486	\$ 22,963			
Interfund loans receivable		273,897			25,838			
Inventory								
Total Assets	716	286,856	459	52,486	48,801	912	2,891	44,263
LIABILITIES AND FUND BALANCES								
Liabilities:								
Deficit Cash		317,121		36,750	31,751			
Accounts payable								
Accrued payroll				16,183				
Interfund loans payable	717					912		
Total Liabilities	717	317,121	-	52,933	31,751	912		
Fund balances:								
Restricted			459				2,891	44,263
Unassigned	(1)	(30,265)		(447)	17,050			
Total fund balances (deficit)	(1)	(30,265)	459	(447)	17,050		2,891	44,263
Total liabilities and fund balances	\$ 716	\$ 286,856	\$ 459	\$ 52,486	\$ 48,801	\$ 912	\$ 2,891	\$ 44,263

City of Sanford, Maine
Nonmajor Governmental Funds
Combining Balance Sheet
Education
June 30, 2017

	2275 Trans Grant Proficiency	2277 Genest Foundation Grant	2279 SHS Local Funds	2280 FAA Dept. of Arg.	2284 School PEPG Grant	5000 School Cafeteria	Totals
ASSETS							
Cash and cash equivalents	\$ 33,789	\$ 6,352	\$ 725	\$ 623	\$ 4,375	\$ 185,360	\$ 709,548
Accounts receivable						97,545	491,160
Interfund loans receivable							757,925
Inventory						35,877	35,877
Total Assets	33,789	6,352	725	623	4,375	318,782	1,994,510
LIABILITIES AND FUND BALANCES							
Liabilities:							
Deficit Cash							700,860
Accounts payable							-
Accrued Payroll	21,942					1,454	283,215
Interfund loans payable						8,141	92,486
Total Liabilities	21,942					9,595	1,076,561
Fund balances:							
Restricted	11,847	6,352	725	623	4,375	309,187	1,166,372
Unassigned							(248,423)
Total fund balances (deficit)	11,847	6,352	725	623	4,375	309,187	917,949
Total liabilities and fund balances	\$ 33,789	\$ 6,352	\$ 725	\$ 623	\$ 4,375	\$ 318,782	\$ 1,994,510

City of Sanford, Maine
Nonmajor Special Revenue Funds
Combining Balance Sheet
Public Safety
June 30, 2017

	2053 Seized Assets	2064 Homeland Security	2075 Home Fire Sprinkler Coalition	2078, 2140 2012, 2016 JAG Programs	2105 Firearms Range	2106 SPD Training	2111 Smoke Detector Program	2122 Edward Byrne Memorial Justice	2128, 2136 2014, 2015 JAG Programs	Totals
ASSETS										
Cash and cash equivalents	\$ 112,336	\$ 5,467	\$ 1,500	23,979.00	\$ 8,419	\$ 2,935	\$ 3,171	\$ 19,238	\$ 20,747	\$ 197,792
Total Assets	112,336	5,467	1,500	23,979	8,419	2,935	3,171	19,238	20,747	197,792
LIABILITIES AND FUND BALANCES										
Liabilities:										
Deficit Cash										
Interfund loans payable	46,323	5,467		23,979	824	434	2,639	19,238	23,931	122,835
Total Liabilities	46,323	5,467		23,979	824	434	2,639	19,238	23,931	122,835
Fund balances:										
Nonspendable										
Restricted	66,013		1,500		7,595	2,501	532		5,481	83,622
Unassigned									(8,665)	(8,665)
Total fund balances (deficit)	66,013		1,500		7,595	2,501	532		(3,184)	74,957
Total liabilities and fund balances	\$ 112,336	\$ 5,467	\$ 1,500	\$ 23,979	\$ 8,419	\$ 2,935	\$ 3,171	\$ 19,238	\$ 20,747	\$ 197,792

City of Sanford, Maine
Nonmajor Special Revenue Funds
Combining Balance Sheet
Public Works
June 30, 2017

	2098 FEMA 1920 Disaster Recovery	2100 Brownfields Area Planning	2108 Brownfields Assessment	2109 Brownfields Mill Clean up	2117 FEMA 4108 Disaster Recovery	2141 Sanford Airport Solar	Totals
ASSETS							
Cash and cash equivalents	\$ 92,999	\$ 2,036	\$ 284,413	\$ 236,873	\$ 43,158	\$ 7,018	\$ 666,497
Total Assets	92,999	2,036	284,413	236,873	43,158	7,018	666,497
LIABILITIES AND FUND BALANCES							
Liabilities:							
Deficit Cash							
Interfund loans payable	92,999	2,036	284,413	236,568	43,158	2,665	661,839
Total Liabilities	92,999	2,036	284,413	236,568	43,158	2,665	661,839
Fund balances:							
Nonspendable							
Restricted				305		4,353	4,658
Unassigned							
Total fund balances (deficit)				305		4,353	4,658
Total liabilities and fund balances	\$ 92,999	\$ 2,036	\$ 284,413	\$ 236,873	\$ 43,158	\$ 7,018	\$ 666,497

City of Sanford, Maine
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Government - Federal and State
For the Year Ended June 30, 2017

	2042	2130	2134	2135	2138	2142	2143	
		Tourism	FEMA	Trails	SCASDP	PEG	Substance	
	KKW	Development	4208	Development	Grant	Access	Abuse	
		Grant	DR	Urban Forestry	Airport	Grant	Assistance Program	Totals
General Government								
Revenues:								
Intergovernmental								
Other	\$ 12,500	\$ 13		\$ 1,047	\$ 32,881	\$ 29,130	1,829	\$ 77,400
Total revenues	12,500	13		1,047	32,881	29,130	1,829	77,400
Expenditures:								
Expenses	6,046		\$ 34,904	1,407	376		1,829	44,562
Total expenditures	6,046	-	34,904	1,407	376		1,829	44,562
Excess (deficiency) of revenues over (under) expenditures	6,454	13	(34,904)	(360)	32,505	29,130		32,838
Other financing sources (uses):								
Transfers in								-
Transfers out				(20,000)				(20,000)
Total other financing sources (uses)				(20,000)				(20,000)
Net change in fund balances	6,454	13	(34,904)	(20,360)	32,505	29,130	-	12,838
Fund balances (deficit), beginning of year	32,076	(13)	123,780	33,942	(32,505)			157,280
Fund balances (deficit), end of year	\$ 38,530	\$ -	\$ 88,876	\$ 13,582	\$ -	\$ 29,130	\$ -	\$ 170,118

City of Sanford, Maine
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Government - Other Programs
For the Year Ended June 30, 2017

	2002 Rainbow Rug TIF	2003 US Felt TIF	2007 Rt 109 Downtown TIF	2008 Central Tire TIF	2009 Village Green TIF	2010 Sanford Institute for Savings TIF	2011 RUBB TIF	2012 Kennedy Center TIF	2013 SPH, LLC TIF	2014 Mill Development TIF	2015 New England Truck Tire TIF
Revenues:											
Taxes	\$ 90,960		\$ 411,946	\$ 26,048	\$ 10,489	\$ 43,838	\$ 25,002	\$ 11,817	\$ 46,618	\$ 64,008	\$ 5,678
Interest earned	89	\$ 15	4,339	148	59	354	275		537	88	101
Other											
Total revenues	91,049	15	416,285	26,196	10,548	44,192	25,277	11,817	47,155	64,096	5,779
Expenditures:											
Expenses	77,315	2,471	161,331	23,024	7,866	81,919	32,501	11,817	38,427	60,807	2,839
Total expenditures	77,315	2,471	161,331	23,024	7,866	81,919	32,501	11,817	38,427	60,807	2,839
Excess (deficiency) of revenues over (under) expenditures	13,734	(2,456)	254,954	3,172	2,682	(37,727)	(7,224)		8,728	3,289	2,940
Other financing sources (uses):											
Transfers in											
Transfers out											
Total other financing sources (uses)											
Net change in fund balances	13,734	(2,456)	254,954	3,172	2,682	(37,727)	(7,224)		8,728	3,289	2,940
Fund balances (deficit), beginning of year	1,719	2,588	390,292	12,487	5,304	48,275	31,227		54,198	8,346	10,088
Fund balances (deficit), end of year	\$ 15,453	\$ 132	\$ 645,246	\$ 15,659	\$ 7,986	\$ 10,548	\$ 24,003	\$ -	\$ 62,926	\$ 11,635	\$ 13,028

City of Sanford, Maine
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Government - Other Programs
For the Year Ended June 30, 2017

	2020 Impact Fees	2116 Tax Acquired Property Remediation	2118 Central Maine Power Company	2121 Emerson School	2123 Seasonal Decorations	2124 Roosevelt School	2131 Goodall Park 100 Year Anniversary	City Unemployment Compensation	School Unemployment Compensation	2137 Legal Reserve	2139 Dam Coalition	2144 Fitness Zone	2146 Chamber of Commerce	Totals
Revenues:														
Taxes														\$ 736,404
Interest earned									\$ 743					6,748
Other		\$ 60,047		\$ 12,741	\$ 2,460	\$ 2,426	\$ 70	49,332	36,514		\$ 14,150	\$ 465	\$ 15,000	193,205
Total revenues		60,047		12,741	2,460	2,426	70	49,332	37,257		14,150	465	15,000	936,357
Expenditures:														
Expenses		19,691		512	2,236	75		16,677	21,968	\$ 3,570			11,324	576,370
Total expenditures		19,691		512	2,236	75		16,677	21,968	3,570			11,324	576,370
Excess (deficiency) of revenues over (under) expenditures		40,356		12,229	224	2,351	70	32,655	15,289	(3,570)	14,150	465	3,676	359,987
Other financing sources (uses):														
Transfers in							1,053			4,788				5,841
Transfers out		(76,017)												(76,017)
Total other financing sources (uses)		(76,017)					1,053			4,788				(70,176)
Net change in fund balances		(35,661)		12,229	224	2,351	1,123	32,655	15,289	1,218	14,150	465	3,676	289,811
Fund balances (deficit), beginning of year	\$ 247,800	105,859	\$ 35,000	(12,229)	7,276	(2,351)	(1,123)	95,354	117,723	27,210	12,035			1,197,078
Fund balances (deficit), end of year	\$ 247,800	\$ 70,198	\$ 35,000	\$ -	\$ 7,500	\$ -	\$ -	\$ 128,009	\$ 133,012	\$ 28,428	\$ 26,185	\$ 465	\$ 3,676	\$ 1,486,889

City of Sanford, Maine
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Public Service
For the Year Ended June 30, 2017

	2115 Gateway Park	2119 Village of Springvale Improve Committee	2080 Teen Center	2084 Airport Open House	2090 Imelda's Fund	2091 Clean up Day	2114 Ollie Fund Skate Park	Totals
Revenues:								
Intergovernmental								
Interest earned								
Other	\$ 100			\$ 3,333	\$ 8,078			\$ 11,511
Total revenues	100			3,333	8,078			11,511
Expenditures:								
Expenses	1,043		\$ 509	1,275	1,845			4,672
Total expenditures	1,043		509	1,275	1,845			4,672
Excess (deficiency) of revenues over (under) expenditures	(943)		(509)	2,058	6,233			6,839
Other financing sources (uses):								
Transfers in								-
Transfers out						\$ (98)		(98)
Total other financing sources (uses)						(98)		(98)
Net change in fund balances	(943)		(509)	2,058	6,233	(98)		6,741
Fund balances (deficit), beginning of year	2,290	\$ 7,963	5,646	8,662	4,750	\$ 98	\$ 5,000	34,409
Fund balances (deficit), end of year	\$ 1,347	\$ 7,963	\$ 5,137	\$ 10,720	\$ 10,983	\$ -	\$ 5,000	\$ 41,150

City of Sanford, Maine
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Education
For the Year Ended June 30, 2017

	2201 Wellness Team	2202 E-Rate	2203 Industrial Tech Sending School	2205 Lucy Emery Funds	2206 Eco Maine	2207 Momentum	2208 Remax Hometown Agency	2210 Kids Club	2212 Financial Literacy	2213 MCS Local Funds	2214 SRTC Donation	2215 Let's Go Grant	2217 ING Unsung Heroes	2219 Genest/ SRTC Construction
Revenues:														
Intergovernmental		\$ 74,166	\$ 123,764											
Other				\$ 1,250		\$ 6,438		\$ 26,130	\$ 1,000	\$ 700	\$ 1,250	\$ 1,500	\$ 2,000	\$ 25,500
Total revenues		74,166	123,764	1,250		6,438		26,130	1,000	700	1,250	1,500	2,000	25,500
Expenditures:														
Expenses	\$ 60	83,266	84,914		\$ 1,791	6,438		15,725	694	700	62		376	22,727
Total expenditures	60	83,266	84,914		1,791	6,438		15,725	694	700	62		376	22,727
Excess (deficiency) of revenues over (under) expenditures	(60)	(9,100)	38,850	1,250	(1,791)			10,405	306		1,188	1,500	1,624	2,773
Other financing sources (uses):														
Transfers in														
Transfers out														
Total other financing sources (uses)														
Net change in fund balances	(60)	(9,100)	38,850	1,250	(1,791)			10,405	306		1,188	1,500	1,624	2,773
Fund balances, beginning of year	69	313,978	329,971	3,580	2,299		\$ 1,125					\$ 47	255	
Fund balances (deficit), end of year	\$ 9	\$ 304,878	\$ 368,821	\$ 4,830	\$ 508	\$ -	\$ 1,125	\$ 10,405	\$ 306	\$ -	\$ 1,188	\$ 1,547	\$ 1,879	\$ 2,773

City of Sanford, Maine
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Education
For the Year Ended June 30, 2017

	2220 CJL Local	2224 Smart Grant	2228 Partners in Arts & Learning	2238 College Transition	2239 Title IA	2249 MaineCare	2252 IDEA Grant - Local Entitlement	2253 ECT Grant (Preschool)	2258 21st Century	2261 Title III - English Language Acquisition
Revenues:										
Intergovernmental		\$ 46,372		\$ 43,241	\$ 1,000,971	\$ 193,384	\$ 920,800	\$ 34,992	\$ 162,500	
Other	\$ 14,125		\$ 1,300							
	14,125	46,372	1,300	43,241	1,000,971	193,384	920,800	34,992	162,500	
Expenditures:										
Expenses	14,125	46,379	1,000	44,921	963,941	171,784	894,597	35,469	162,500	
	14,125	46,379	1,000	44,921	963,941	171,784	894,597	35,469	162,500	
Excess (deficiency) of revenues over (under) expenditures		(7)	300	(1,680)	37,030	21,600	26,203	(477)		
Other financing sources (uses):										
Transfers in										
Transfers out										
Net change in fund balances		(7)	300	(1,680)	37,030	21,600	26,203	(477)		
Fund balances (deficit), beginning of year		12		11,988	(159,028)	55,167	(133,152)	(5,336)	1	\$ (1)
Fund balances (deficit), end of year	\$ -	\$ 5	\$ 300	\$ 10,308	\$ (121,998)	\$ 76,767	\$ (106,949)	\$ (5,813)	\$ 1	\$ (1)

City of Sanford, Maine
Nonmajor Special Revenue Funds
Nonmajor Special Revenues, Expenditures and Changes in Fund Balances
Education
For the Year Ended June 30, 2017

	2262 Title IIA - Teacher Quality	2266 Nellie Mae Grant	2268 Title IC - Perkins	2269 Adult Basic Education	2272 Corning Grant	2273 SHS iPad Program
Revenues:						
Intergovernmental	\$ 264,686		\$ 172,429	\$ 49,960		
Other		\$ 459				\$ 24,388
	264,686	459	172,429	49,960		24,388
Expenditures:						
Expenses	246,109		168,213	32,514	\$ 1,045	27,687
	246,109		168,213	32,514	1,045	27,687
Excess (deficiency) of revenues over (under) expenditures	18,577	459	4,216	17,446	(1,045)	(3,299)
Other financing sources (uses):						
Transfers in						
Transfers out						
Net change in fund balances	18,577	459	4,216	17,446	(1,045)	(3,299)
Fund balances (deficit), beginning of year	(48,842)		(4,663)	(396)	3,936	47,562
Fund balances (deficit), end of year	\$ (30,265)	\$ 459	\$ (447)	\$ 17,050	\$ 2,891	\$ 44,263

City of Sanford, Maine
Nonmajor Special Revenue Funds
Nonmajor Special Revenues, Expenditures and Changes in Fund Balances
Education
For the Year Ended June 30, 2017

	2275	2277	2279	2280	2283	2284	2285	2287	5000	
	Trans	Genest	SHS	FAA	Maine	School	School	School National	School	
	Grant	Foundation	Local	Dept.	PreSchool	PEPG	John T. Gorman	Board	Cafeteria	
	Proficiency	Grant	Funds	of	Expansion	Grant	Foundation	Certification		
				Arg.	Grant					Totals
Revenues:										
Intergovernmental									\$ 1,575,680	\$4,662,945
Other	\$ 36,342			\$ 1,253	\$ 47,027		\$ 1,694			192,356
	36,342			1,253	47,027		1,694		1,575,680	4,855,301
Expenditures:										
Expenses	57,994			960		\$ 225	11,694	\$ 1,900	1,613,852	4,713,662
	57,994			960		225	11,694	1,900	1,613,852	4,713,662
Excess (deficiency) of revenues over (under) expenditures	(21,652)			293	47,027	(225)	(10,000)	(1,900)	(38,172)	141,639
Other financing sources (uses):										
Transfers in										
Transfers out										
Net change in fund balances	(21,652)			293	47,027	(225)	(10,000)	(1,900)	(38,172)	141,639
Fund balances (deficit), beginning of year	33,499	\$ 6,352	\$ 725	330	(47,027)	4,600	10,000	1,900	347,359	776,310
Fund balances (deficit), end of year	\$ 11,847	\$ 6,352	\$ 725	\$ 623	\$ -	\$ 4,375	\$ -	\$ -	\$ 309,187	\$ 917,949

City of Sanford, Maine
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Public Safety
For the Year Ended June 30, 2017

	2053 Seized Assets	2075 Home Fire Sprinkler Coalition	2105 Firearms Range	2106 SPD Training	2111 Smoke Detector Program	2128 2014 JAG Program	2136 2015 JAG Program	2140 2016 JAG Grant	Totals
Revenues:									
Intergoverr	\$ 95,620					\$ 8,001			\$ 103,621
Other			\$ 3,000					\$ 12,008	15,008
Total revenues	95,620		3,000			8,001		12,008	118,629
Expenditures:									
Expenses	29,607		824	\$ 284	\$ 1,090	5,432	\$ 8,665	12,008	57,910
Total expenditures	29,607		824	284	1,090	5,432	8,665	12,008	57,910
Excess (deficiency) of revenues over (under) expenditures	66,013		2,176	(284)	(1,090)	2,569	(8,665)		60,719
Other financing sources (uses):									
Transfers in									
Bond Proceeds									
Transfers out									
Total other financing sources (uses)									
Net change in fund balances	66,013		2,176	(284)	(1,090)	2,569	(8,665)		60,719
Fund balances (deficit), beginning of year		\$ 1,500	5,419	2,785	1,622	2,912			14,238
Fund balances (deficit), end of year	\$ 66,013	\$ 1,500	\$ 7,595	\$ 2,501	\$ 532	\$ 5,481	\$ (8,665)	\$ -	\$ 74,957

City of Sanford, Maine
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Public Works
For the Year Ended June 30, 2017

	2098 FEMA 1920 Disaster Recovery	2108 Brownfields Assessment	2109 Brownfields Mill Clean up	2117 FEMA 4108 Disaster Recovery	2141 Sanford Airport Solar	Totals
Revenues:						
Intergoverr		\$ 172,369	\$ 152,774			\$ 325,143
Other					\$ 10,000	\$ 10,000
Total revenues		172,369	152,774		10,000	335,143
Expenditures:						
Expenses	\$ 20,182	172,374	192,469	\$ 43,158	5,647	433,830
Total expenditures	20,182	172,374	192,469	43,158	5,647	433,830
Excess (deficiency) of revenues over (under) expenditures	(20,182)	(5)	(39,695)	(43,158)	4,353	(98,687)
Other financing sources (uses):						
Transfers in			40,000			40,000
Bond Proceeds						
Transfers out						
Total other financing sources (uses)			40,000			40,000
Net change in fund balances	(20,182)	(5)	305	(43,158)	4,353	(58,687)
Fund balances (deficit), beginning of year	20,182	5	-	\$ 43,158		63,345
Fund balances (deficit), end of year	\$ -	\$ -	\$ 305	\$ -	\$ 4,353	\$ 4,658

City of Sanford, Maine
Nonmajor Capital Project Fund
Balance Sheet
June 30, 2017

	4000 Number One Pond	4003 Job Bond Local Road Assistance	4005 Urban Forestry	4008 Goodall Statue	4011 Department of Conservation	4036, 4042 Revolving Loan Funds - SHS and JH	4039 CGA Clean Up	4040 Mid Town Mall	4045 Goodall Brook Watershed	4048 Wildlife Hazard Assessment
ASSETS										
Cash and cash equivalents	\$ 200	\$ 752	\$ 5,590	\$ 1,550	\$ 1,121		\$ 12,699	\$ 83,235	\$ 6,834	\$ 32,026
Accounts receivable										
Total assets	200	752	5,590	1,550	1,121		12,699	83,235	6,834	32,026
LIABILITIES AND FUND BALANCE										
Liabilities:										
Deficit Cash						140				
Accounts payable										
Interfund loans payable				298	1,121		5,559	83,235	7,712	32,026
Total liabilities				298	1,121	140	5,559	83,235	7,712	32,026
Fund balance (deficit):										
Restricted										
Committed	200	752	5,590	1,252			7,140			
Unassigned						(140)			(878)	
Total fund balance (deficit)	200	752	5,590	1,252		(140)	7,140		(878)	
Total liabilities and fund balance	\$ 200	\$ 752	\$ 5,590	\$ 1,550	\$ 1,121	\$ -	\$ 12,699	\$ 83,235	\$ 6,834	\$ 32,026

City of Sanford, Maine
Nonmajor Capital Project Fund
Balance Sheet
June 30, 2017

	4051 Rehabilitate Seacoast Taxi Lanes 2014	4052 Airport Improvement Program	4053 Railbed Phase IV Trail	4054 Consolidated Elementary	4055 AIP 2015 Airport	4056 Mousam River Bike Trails	4057 SRE Building Airport	4058 EDA Broadband Infrastructure	4059 2015 Assistance to Firefighters	Totals
ASSETS										
Cash and cash equivalents	\$ 229,209	\$ 158,088	\$ 49,835		\$ 328,905	\$ 41,908		\$ 769,209	\$ 75,455	\$ 1,796,616
Accounts receivable										
Total assets	229,209	158,088	49,835		328,905	41,908		769,209	75,455	1,796,616
LIABILITIES AND FUND BALANCE										
Liabilities:										
Deficit Cash				\$ 360,423			\$ 68,194			428,757
Accounts payable										
Interfund loans payable	229,209	158,088	45,955		328,906	27,370	13,802	69,123	75,454	1,077,858
Total liabilities	229,209	158,088	45,955	360,423	328,906	27,370	81,996	69,123	75,454	1,506,615
Fund balance (deficit):										
Restricted			3,880							3,880
Committed						14,538		700,086	1	729,559
Unassigned				(360,423)	(1)		(81,996)			(443,438)
Total fund balance (deficit)			3,880	(360,423)	(1)	14,538	(81,996)	700,086	1	290,001
Total liabilities and fund balance	\$ 229,209	\$ 158,088	\$ 49,835	\$ -	\$ 328,905	\$ 41,908	\$ -	\$ 769,209	\$ 75,455	\$ 1,796,616

City of Sanford, Maine
Nonmajor Capital Project Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2017

	4000 Number One Pond	4003 Job Bond Local Road Assistance	4005 Urban Forestry	4008 Goodall Statue	4011 Department of Conservation	4036 Revolving Loan Fund - SHS	4039 CGA Clean Up	4042 Revolving Loan Fund - JH
Revenues:								
Intergovernmental								
Other								
Total revenues								
Expenditures:								
Capital Improvements					\$ 121	\$ 70	\$ 815	\$ 70
Total expenditures					121	70	815	70
Excess (deficiency) of revenues over (under) expenditures					(121)	(70)	(815)	(70)
Other financing sources (uses):								
Transfers in								
Transfers out								
Proceeds of general obligation bonds								
Total other financing sources (uses)								
Net change in fund balances					(121)	(70)	(815)	(70)
Fund balances (deficit), beginning of year	\$ 200	\$ 752	\$ 5,590	1,252	121		7,955	
Fund balances (deficit), end of year	\$ 200	\$ 752	\$ 5,590	\$ 1,252	\$ -	\$ (70)	\$ 7,140	\$ (70)

City of Sanford, Maine
Nonmajor Capital Project Funds
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended June 30, 2017

	4045 Goodall Brook Watershed	4050 School Bond Capital Improvement	4053 Railbed Phase IV Trail	4054 Consolidated Elementary	4055 AIP 2015 Airport	4056 Mousam River Bike Trails	4057 SRE Building Airport	4058 EDA Broadband Infrastructure	4059 2015 Assistance to Firefighters	Totals
Revenues:										
Intergovernmental						\$ 24,586			\$ 75,455	\$ 100,041
Other							\$ 2,000	\$ 543,125		545,125
Total revenues						24,586	2,000	543,125	75,455	645,166
Expenditures:										
Capital Improvements	\$ 878	\$ 39,076		\$ 308,086	\$ 1	25,219	105,107	69,124	75,454	624,021
Total expenditures	878	39,076		308,086	1	25,219	105,107	69,124	75,454	624,021
Excess (deficiency) of revenues over (under) expenditures	(878)	(39,076)		(308,086)	(1)	(633)	(103,107)	474,001	1	21,145
Other financing sources (uses):										
Transfers in						20,000	21,111	226,085		267,196
Transfers out										
Proceeds of general obligation bonds										
Total other financing sources (uses)						20,000	21,111	226,085		267,196
Net change in fund balances	(878)	(39,076)		(308,086)	(1)	19,367	(81,996)	700,086	1	288,341
Fund balances (deficit), beginning of year		39,076	\$ 3,880	(52,337)		(4,829)				1,660
Fund balances (deficit), end of year	\$ (878)	\$ -	\$ 3,880	\$ (360,423)	\$ (1)	\$ 14,538	\$ (81,996)	\$ 700,086	\$ 1	\$ 290,001

**City of Sanford, Maine
Nonmajor Permanent Funds
Combining Balance Sheet
June 30, 2017**

	7000 Gowen Park Trust	7001 Park Maintenance Fund	7002 Oakdale Cemetery Maintenance Trust	7003 Nutter Trust	7008 Holdsworth Park Trust	7012 Goodall Park	Totals
ASSETS							
Cash and cash equivalents	\$ 93,005	\$ 5,082	\$ 220,457	\$ 24,650	\$ 37,303	\$ 252,760	\$ 633,257
Accounts receivable							
Investments			229,767		419,756		649,523
Land (held for investment)					109,500		109,500
Total assets	93,005	5,082	450,224	24,650	566,559	252,760	1,392,280
LIABILITIES AND FUND BALANCES							
Liabilities:							
Interfund loans payable	52,339	5,082	24,850		16,785	267,709	366,765
Total liabilities	52,339	5,082	24,850		16,785	267,709	366,765
Fund balances:							
Nonspendable Principal		6,000					6,000
Nonspendable Land					109,500		109,500
Restricted Expendable Income	40,666	(6,000)	425,374	24,650	440,274	(14,949)	910,015
Total fund balances	40,666		425,374	24,650	549,774	(14,949)	1,025,515
Total liabilities and fund balances	\$ 93,005	\$ 5,082	\$ 450,224	\$ 24,650	\$ 566,559	\$ 252,760	\$ 1,392,280

City of Sanford, Maine
Nonmajor Permanent Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2017

	7000 Gowen Park Trust	7001 Park Maintenance Fund	7002 Oakdale Cemetery Maintenance Trust	7003 Nutter Trust	7008 Holdsworth Park Trust	7012 Goodall Park	Totals
Revenues:							
Interest and dividends	\$ 23		\$ 1,726	\$ 49	\$ 37,508		\$ 39,306
Donations	12,077		4,750			\$ 22,386	39,213
Total revenues	12,100		6,476	49	37,508	22,386	78,519
Expenditures:							
Earnings retained by General Fund							
Public services	10,909					39,643	50,552
Total expenditures	10,909				-	39,643	50,552
Excess (deficiency) of revenues over (under) expenditures	1,191		6,476	49	37,508	(17,257)	27,967
Other financing sources (uses):							
Transfers out		\$ -					-
Total other financing sources (uses)		-					-
Net change in fund balances	1,191	-	6,476	49	37,508	(17,257)	27,967
Fund balances, beginning of year	39,475		418,898	24,601	512,266	2,308	997,548
Fund balances, end of year	\$ 40,666	\$ -	\$ 425,374	\$ 24,650	\$ 549,774	\$ (14,949)	\$ 1,025,515

City of Sanford, Maine
Private-Purpose Trust Funds
Combining Statement of Fiduciary Net Position
June 30, 2017

	7004 Thornburg Goodall Fund	7005 Lucy Emery Trust	7007 William Oscar Emery Trust	7009 Walter Cyr Trust	7010 High School Scholarship Fund	7011 Sherburne Basketball Fund	7013 School Scholarship Trust	Totals
ASSETS								
Cash and cash equivalents	\$ 1,287	\$ 13,830	\$ 20,195	\$ 8,521		\$ 7,062	\$ 159,102	\$ 209,997
Investments					999,259		1,395,304	2,394,563
Total assets	1,287	13,830	20,195	8,521	999,259	7,062	1,554,406	2,604,560
LIABILITIES AND NET ASSETS								
Liabilities:								
Accounts payable								-
Interfund loans			20,195					20,195
Total liabilities	-	-	20,195	-	-	-	-	20,195
Net position:								
Nonspendable principal	399							399
Unexpended income	888	13,830		8,521	999,259	7,062	1,554,406	2,583,966
Total position assets	1,287	13,830		8,521	999,259	7,062	1,554,406	2,584,365
Total liabilities and net position	\$ 1,287	\$ 13,830	\$ 20,195	\$ 8,521	\$ 999,259	\$ 7,062	#####	\$ 2,604,560

City of Sanford, Maine
Private-purpose Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2017

	7004	7005	7009	7010	7011	7013	
	Thornburg	Lucy	Walter	High School	Sherburne	School	
	Goodall	Emery	Cyr	Scholarship	Basketball	Scholarship	
	Fund	Trust	Trust	Fund	Fund	Trust	Totals
Additions (reductions)							
Donations, interest, dividends and investment gains or (losses)	\$ 7	\$ 73	\$ 17	\$ 124,376	\$ 61	\$ 253,985	\$ 378,519
Total additions (reductions)	7	73	17	124,376	61	253,985	378,519
Deductions:							
School scholarships				19,248			19,248
Expense						124,639	124,639
Capital outlay							
Total deductions				19,248		124,639	143,887
Other financing sources (uses):							
Transfers out							-
Total other financing sources (uses)							-
Changes in net assets	7	73	17	105,128	61	129,346	234,632
Net position, beginning of year	1,280	13,757	8,504	894,131	7,001	1,425,060	2,349,733
Net position, end of year	\$ 1,287	\$ 13,830	\$ 8,521	\$ 999,259	\$ 7,062	\$ 1,554,406	\$ 2,584,365

City of Sanford, Maine
Agency Funds
Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2017

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
STUDENT ACTIVITIES:				
ASSETS				
Cash	\$ 321,435	\$ 468,690	\$ 496,751	\$ 293,374
LIABILITIES				
Due to student groups	\$ 321,435	\$ 468,690	\$ 496,751	\$ 293,374